

## The complaint

Mrs G and Mr G complain that Sainsbury's Bank Plc ("Sainsbury's") renewed their buildings and contents insurance policy automatically without notifying them.

## What happened

Mrs G and Mr G took out buildings and contents insurance which was arranged by Sainsbury's. Then in September 2021, they noticed a Direct Debit made to Sainsbury's for £400.09. They queried this and were told this was for their policy renewal. Mr G called Sainsbury's and explained he'd never received any notification that the policy would be renewed. During the call, Sainsbury's emailed information about the renewal but this showed a renewal quote of £323.15 – which was the same premium Mrs G and Mr G paid the year prior. Mr G asked for the policy to be cancelled but was told he would be charged cancellation fees – so he complained.

Sainsbury's responded and explained a renewal notice was sent which quoted a premium of £400.09. They said, as Mrs G and Mr G wanted to cancel their policy outside the 14-day cooling off period, fees and charges were applicable and in line with the terms and conditions. Sainsbury's accepted the information Mrs G and Mr G received by email while on the call wasn't accurate and offered compensation of £50.

After considering all of the evidence, I issued a provisional decision on this complaint to Mrs G and Mr G and Sainsbury's on 19 October 2022. In my provisional decision I said as follows:

*"The dispute here relates to whether Sainsbury's sent renewal documents to Mrs G and Mr G. Sainsbury's say Mr G originally set up his policy online and opted for any correspondence to be uploaded to his online portal account. They say the renewal invite was issued on 16 August and an email was sent to the contact details provided by Mr G. Sainsbury's say Mrs G and Mr G didn't contact them so the policy was automatically renewed and the renewal confirmation was uploaded to the online portal and a further email was sent on 31 August. Sainsbury's have provided a copy of the renewal information they say was uploaded and this is headed, "We'll automatically renew your home insurance on 05/09/2021" and quotes the premium as £400.09. It also says Sainsbury's will take the payment five days before the renewal date. And, it invites Mrs G and Mr G to shop around to see how this quote compares.*

*I can see our investigator has asked Sainsbury's for evidence showing the date when the information was uploaded to the online portal and a copy of the emails showing the date they were sent. Sainsbury's have provided a screenshot showing a message which says Mrs G and Mr G's home insurance will renew automatically and to check all their details are correct. It quotes the premium as £400.09 and the previous year's premium paid as £323.15. Another screenshot shows a message which asks Mr G to log into the portal to check details of the cover and to call them if he doesn't want to renew.*

*I can see that, despite several requests from our investigator, Sainsbury's haven't provided any date stamped evidence showing when the emails were sent or the information uploaded to the portal. They've provided a copy of the letter which they say was uploaded but this doesn't contain a date. The Statement of Fact included in the renewal pack says the date of issue is 16 August but, given that Mr G claims he didn't receive it, I'm not persuaded by this information alone. In addition to this, the letter and Statement of Fact contain a reference number ending in \*001 but the screenshot of the message which Sainsbury's say was uploaded to the portal contains a different reference ending in \*284. So, in the circumstances of this case, I would find any date stamped or audit trail information more persuasive to demonstrate when the emails were sent and when the messages were uploaded. And, given that Sainsbury's haven't provided this, I'm not persuaded the evidence shows, on the balance of probabilities, the renewal information was sent to Mrs G and Mr G in advance of the premium being taken.*

*I understand Mrs G and Mr G decided to continue with the policy given that cancellation would generate charges. I acknowledge Mr G says he found a cheaper premium for £323.15 with another insurer. I can see our investigator has therefore recommended Sainsbury's reimburse £76.94 but I don't think that's reasonable in the circumstances. I say this because, firstly, Mr G hasn't provided any evidence of this. And, secondly, Mr G says he found this policy on 28 September but there's no evidence to suggest this same policy was available for £323.15 on or before the date of renewal of 5 September. I acknowledge that Sainsbury's sent information to Mr G during the call which showed a premium of £323.15, but Sainsbury's accept this was an error and I believe that is the case. I say this because the letter, policy schedule and cover summary all refer to the premium being £400.09 – so I'm persuaded this was the premium charged for the year.*

*That said, Sainsbury's accept they got things wrong when they sent Mr G incorrect information during the call – so the key facts about this part of the complaint aren't in dispute. I think it's right that Sainsbury's should compensate Mrs G and Mr G for the confusion and inconvenience caused by their error. As mentioned above, I don't believe £323.15 was supposed to be the correct premium and I can see Sainsbury's did later correct this error by confirming the correct premium. So, I think their offer of £50 is fair and reasonable in the circumstances.*

*Turning to the other issue I've upheld – relating to the renewal documents – while I haven't seen any evidence of Mrs G and Mr G missing out on a cheaper policy, I think Sainsbury's should pay compensation for them missing out on the opportunity to look for another policy. It's clear from Mr G's call with Sainsbury, he was shocked when he noticed the premium had been taken without any prior notification. And, it's clear from his correspondence that he would've shopped around for another policy. I can't say with any certainty that a cheaper policy would've been available but it's fair to say Mrs G and Mr G missed out on the opportunity to at least look for one before their policy started and prior to the point that any cancellation charges would generate. So, taking this into account, I think Sainsbury's should pay a further £50 compensation in addition to the £50 already offered – bringing the total to £100.”*

So, subject to any further comments from Mrs G and Mr G or Sainsbury's, my provisional decision was that I was minded to uphold this complaint and require Sainsbury's to pay compensation.

Following my provisional decision, Mrs G and Mr G have responded to say they accept the decision. Sainsbury's have responded and provided screenshots which they say show the

date and time the documents and emails were issued. They say the documents are uploaded and emails sent as one system action and the screenshots show the date and time this occurred. Sainsbury's say they sent Mr G an email directing him to the online portal to review their offer – and once logged in, Mr G would've seen the renewal documents.

Sainsbury's say these emails are sent directly from their system so the format may look a little different to how it looks on the sent items folder on a personal account. They say, once the policy renewed, the renewal offer is removed from the portal to avoid confusion and replaced with documents confirming the cover. They say, once the policy is cancelled, these documents are also removed to avoid confusion and replaced with cancellation documents. Sainsbury's say, as a result, viewing the portal now will not show what was present at previous stages.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I see no reason to depart from my provisional decision. So, I've decided to uphold the complaint for the reasons set out in my provisional decision and copied above.

I've looked at the screenshots provided by Sainsbury's and this shows a record in the 'Diaries' section of their system and describes the entry as a renewal invite. This shows the record was created on 16 August 2022. Another screenshot shows a record for a renewal reminder, but this again shows the record was created in August 2022. So, I'm not persuaded these screenshots demonstrate Mrs G and Mr G's renewal documents were uploaded in August 2021.

I have taken into account Sainsbury's comments on why their system won't now show a full audit trail of previous actions and stages. So, I've carefully considered all the information I have together with both parties account of events. On the one hand, I have the documents and screenshots provided by Sainsbury's. On the other hand, I have Mr G confirming he didn't receive the renewal documents or emails. I would therefore, in such circumstances, find any evidence which is date stamped to be particularly persuasive.

The Statement of Fact does refer to the date of issue being 16 August 2021 but, in the circumstances of this case, I'm not persuaded by this alone. I say this because Mr G says he didn't receive it, so I've looked to see whether any other evidence provided by Sainsbury's supports the date on the Statement of Fact. Sainsbury's refer to their email to Mr G which directed him to his online portal to review the renewal documents. They've provided a screenshot of this, but this doesn't show a date and, as mentioned in my provisional decision, the reference number on this email doesn't match the reference number on the Statement of Fact. So, I'm not persuaded the screenshot of the email supports the date on the Statement of Fact.

I understand Sainsbury's maintain their view that the renewal documents were sent and I also acknowledge their comments on what their system information shows. When deciding a complaint, I have to decide it on the balance of probabilities – that is what I think is more likely the case than not. In the circumstances of this complaint, and given the specific facts and information presented, the evidence doesn't persuade me it's more likely than not the renewal documents were sent.

### **Putting things right**

I've taken the view that Sainsbury's have made errors in not sending renewal information to Mrs G and Mr G and providing incorrect information. So, in addition to the £50 already offered by Sainsbury's, they should pay a further £50 as compensation to Mrs G and Mr G, bringing the total to £100.

### **My final decision**

My final decision is that I uphold the complaint. Sainsbury's Bank Plc must take the steps in accordance with what I've said under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 1 January 2023.

Paviter Dhaddy  
**Ombudsman**