

## **The complaint**

Mr L complains that Royal & Sun Alliance Insurance Limited ("RSA") have said he must install an intruder alarm if he wants to continue with his policy cover. But he wasn't told this when he made his initial enquiry.

RSA is the underwrite of this policy, i.e. the insurer. Part of this complaint concerns the actions of its agents. RSA accept it is accountable for the actions of the agents. In this decision any reference to RSA includes its agents.

## **What happened**

Mr L has a home insurance policy with RSA.

Mr L has a number of complaints about RSA's handling of his home insurance policy. So, for ease of reference my decision deals with the aspect relating to the burglar alarm.

Mr L has a number of valuable items which he kept at a bank that he was considering transferring to his home safe. Mr L made enquiries with RSA about what the implications of doing so might be on his home insurance policy. He says he wasn't told that he would be required to install an intruder alarm for RSA to be able to continue to provide cover, and its never been a previous requirement. Mr L says RSA was aware of the value of the items following a professional valuation in September 2022.

Mr L transferred the items from the bank to his home safe following receipt of information provided to him by RSA. Mr L also purchased a new safe to ensure he was meeting the terms of the policy. Mr L says RSA then told him he would need to install an intruder alarm or it would withdraw its cover for the valuables. And so, Mr L installed an alarm in June 2023. Mr L wasn't happy with the service since, when he made the initial enquiry about moving the items to his home, he wasn't told he would need to have an alarm in order for his cover to continue. Had he been aware he may have made alternative arrangements.

Mr L wants RSA to remove the endorsements and refund all costs to date – so he then has a choice of either continuing with the alarm or not. Or, if RSA don't remove the endorsements, it should repay all costs associated with the alarm, including all future annual charges.

Mr L wasn't happy with RSA's response to his complaint so he referred his complaint to this service. One of our investigators looked into things for him. She said the endorsements had been applied fairly in the circumstances. She said given the increased risk associated with Mr L's contents the application of the endorsement wasn't unreasonable or unjustified. So the complaint wasn't upheld.

Mr L didn't agree. He said RSA were aware at all times of the value of his possessions and he supplied RSA with the schedules showing the value of each item. In resolution of his complaint he wants RSA to either reimburse the alarm costs or reimburse the cost of the purchase and installation of the safe. Because Mr L didn't agree the complaint has come to me to decide.

## 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've reached broadly the same conclusion as our investigator, for reasons I'll explain.

I know Mr L feels strongly about this complaint and so will be disappointed by my decision. But I hope the reasons I'm about to give help him to understand why I've reached the conclusions I have. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

I want to recognise the impact this complaint has had on Mr L. I understand the additional endorsements have led to increased costs for him. So, I can appreciate why Mr L feels unfairly treated, due to the financial implications of this. And so, I can appreciate why Mr L would complain and ask RSA to either reimburse him for the cost of the alarm or the cost of the purchase and installation of the safe.

But for me to say RSA should do this, or something more than it already has, I first need to be satisfied it has done something wrong. So I'd need to be satisfied it acted outside the terms and conditions of the policy Mr L held when adding the endorsements to the policy. Or, if I think it did act within these, I'd need to be satisfied it acted unfairly in some other way. And in this situation I don't think I can say that's the case.

Insurers sometimes change its terms of insurance partway through the policy term; usually after the customer lets it know about a change in circumstances. An insurer's right to alter the terms is normally found within the policy. So my starting point is Mr L's policy which says, *"We may re-assess your cover and costs when we are told about changes in your circumstances"*. So I'm satisfied there is a condition in the policy terms allowing RSA to do so.

When Mr L initially made enquiries about moving the valuables from the bank to his home I can see there was a lot of communication between the parties about what the potential implications of moving the valuables would be. But I wouldn't expect RSA to list *all* possible endorsements that could potentially apply. And if advisors weren't aware the underwriter would ask Mr L to install an alarm at his property for cover to continue then they wouldn't have been in a position to 'caution' him about this in August 2022.

The alarm endorsement was added to the policy in May 2023 and Mr L raised his objections since the requirement of an alarm wasn't raised sooner. He says RSA should have foreseen the alarm requirement when he first made his enquiries. I can understand why Mr L feels the way he does. He was trying to make an informed decision about whether to move his valuables to a new storage facility or to keep them at his home, and in order to do this he needed to be able to consider the implications.

RSA explained the reason Mr L wasn't told of the requirement for an alarm sooner was because the advisors wouldn't have known about this previously since it was a new requirement. And until the valuables were actually added to the policy and the policy re-assessed the requirement for the alarm wasn't known. So while I can see this would have been frustrating I can't say RSA acted unfairly or outside the terms of the policy in not telling Mr L there was a possibility he would need to install an alarm for cover to continue.

I can see RSA listed the endorsements that were being added to the policy in its email 13 March 2023. RSA asked Mr L to confirm he was happy to proceed with the amendments. So I think Mr L had an opportunity to check for cover elsewhere if he didn't want to install an alarm. He was also provided the opportunity to locate another safety deposit facility in which to store the valuables if he wanted to continue cover with RSA. But he didn't do those things. So I can't say RSA acted unfairly here.

I think it's reasonable for RSA to vary the terms of the insurance policy since the nature of the risk changed fundamentally. And when it did this it gave Mr L notice of the same and provided an opportunity for Mr L to take other action to either not continue with the policy or make other arrangements for the valuables.

I accept this outcome is unlikely to be the one Mr L was hoping for. And I recognise this leaves Mr L with the additional costs of the safe and alarm. But as I've set out above I think RSA acted within the terms and conditions of the policy. So while I appreciate the impact this situation has no doubt had on Mr L overall, I don't think RSA need to do anything more on this occasion.

### **My final decision**

For the reasons outlined above, I don't uphold Mr L's complaint about Royal & Sun Alliance Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 25 March 2024.

Kiran Clair  
**Ombudsman**