

The complaint

The estate of Mr S (“the estate”) complains that Royal and Sun Alliance Insurance Limited (“RSA”) failed to cancel the late Mr S’s home buildings insurance policy when instructed.

The estate is represented by its executor Mrs L who is the late Mr S’s sister.

What happened

Following the death of Mr S, Mrs L on behalf of his estate, contacted RSA in order to cancel his home buildings insurance policy. She was told to provide a grant of probate in order for it to cancel the policy. Mrs L says she had no trouble cancelling other services relating to her late brother’s estate without this. But RSA refused and she felt that it dealt with her in a “*high handed and patronising manner*”.

Mrs L says RSA’s bereavement procedure is “*horrendous*” and it refused to cancel the policy without the grant of probate. She says this was being requested but was part of an ongoing process. Mrs L says she was treated poorly especially as she was a vulnerable customer at this time.

In its final complaint response RSA says its staff acted correctly when asking for a grant of probate. It says this process is in place to ensure the property remains insured whilst probate is being processed. The business says if it didn’t do this it risked being unable to provide cover in the event of a claim. It says it’s unable to cancel a policy in these circumstances without this information.

Mrs L didn’t think RSA had behaved fairly and referred the matter to our service. Our investigator didn’t uphold her complaint. He says the business acted reasonably by requiring the grant of probate. This was to ensure the cancellation instruction was being made by an executor of Mr S’s estate. He says RSA had a duty to protect the late Mr S’s interests. And cancellation could’ve had a detrimental impact on his estate if this was done without the correct authority.

Our investigator acknowledged Mrs L’s reference to a period of dual insurance. But he says this wasn’t raised as part of her original complaint. Under the Financial Conduct Authority (FCA) dispute resolution or DISP rules, this meant we can’t consider this issue. He also says that he can’t consider compensation for any upset or trouble Mrs L had experienced. This is because the DISP rules limit such awards to the eligible complainant, which in this case is the late Mr S.

Mrs L didn’t agree with our investigator’s findings and asked for an ombudsman to consider her complaint.

It has been passed 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'm not upholding this complaint. Let me explain.

Mrs L is representing the estate of the late Mr S in this complaint. As our investigator points out, the impact of any failures on RSA's part are considered for their affect on the estate, not on Mrs L. Mrs L is authorised to bring the complaint on behalf of the estate. But it's the late Mr S who is the eligible complainant, not her. I'm sorry Mrs L is dissatisfied with the standard of service she received from RSA. But, for these reasons I'm not able to award compensation to Mrs L.

I've thought carefully about the reason RSA gave for not being able to cancel Mr S's policy when instructed to do so by Mrs L. But I think what it says is reasonable. The policy was in place to provide cover in the event of an insured claim. Cancelling the policy without confirmation this was authorised by the estate could've had a detrimental impact, should there have been a need to rely on that cover. So, I don't think RSA behaved unreasonably when it said it couldn't cancel the policy without seeing the grant of probate.

I've seen the letter RSA wrote to the estate In June 2022. It acknowledged notification of Mr S's death and asked the executor to call to discuss the ongoing insurance. Mrs L complained to RSA, and it responded with its final complaint response on 5 July. I can see further correspondence was issued by RSA later on in the year. This was regarding policy renewal and a request for contact to be made by the executor of the estate. The policy was subsequently cancelled in December.

I asked RSA how the policy was cancelled given it hadn't seen a grant of probate. It responded to say the policy was eventually cancelled due to a lack of payment once it had renewed. It explains that this is a different process, which is why the policy was able to be cancelled without the grant of probate. RSA says that if Mrs L can now provide the grant of probate it had requested, it can consider backdating the cancellation. In the circumstances described I think this is fair.

RSA responded to Mrs L's complaint on 5 July 2022. As discussed, what our service can consider is determined by the FCA DISP rules. The rules say RSA must first have the opportunity to consider any issues before our service can become involved. So, I'm not able to consider any issues that occurred after 5 July in my decision.

I acknowledge the point Mrs L makes about another policy her sister arranged. She says this provided the correct cover for her late brother's 'unoccupied' home after his death. This meant that there was a period where two policies were being paid for unnecessarily. I can understand Mrs L's concerns. But this issue wasn't included in her original complaint. So, under the DISP rules I'm not able to consider that here.

Having considered all of this I don't think RSA behaved unfairly when it requested sight of a grant of probate before cancelling the late Mr S's policy. I'm sorry Mrs L has been upset by her experience when dealing with this matter. But having reviewed the evidence I don't think RSA dealt with Mrs L inappropriately by following its established process.

I hope I've been clear in explaining why I'm unable to uphold her complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr S

to accept or reject my decision before 26 December 2024.

Mike Waldron
Ombudsman