

Ombudsman Decision

CIFO Reference Number: 16-001303

Complainant: [The complainant]

Respondent: [Company X]

It is the policy of the Channel Islands Financial Ombudsman (CIFO) not to name or identify complainants in any published documents. Any copy of this determination made available in any way to any person other than the complainant or the respondent must not include the identity of the complainant or any information that might reveal their identity.¹

A decision shall constitute an Ombudsman Determination under our law.

The complainant, [redacted for anonymisation purposes], wanted a refund of premiums for terrorism cover on her household insurance policy which had not been requested by her. After CIFO became involved in the complaint, the respondent, [Company X], arranged a full refund of £632.50, this being the sum of the premiums paid for the unnecessary terrorism cover which she had not asked for.

There remained however the outstanding matter of the complainant's excess contributions on any future claims regarding 'water and oil'.

[The complainant], who lives in a ground floor flat, had previously made a number of small claims relating to the dampness in her flat. The complainant believes that the dampness is being caused by the neglect of her neighbor who lives in the flat above her and she feels aggrieved that she is required to pay any excess on claims for problems caused by a third party. An excess is the portion of the loss claimed that is not paid under the policy.

[The complainant] believes that, as a reasonable resolution to her complaint, her insurance policy should contain a "zero" excess contribution on all 'Water and Oil' claims.

On 20 July 2018, I issued my Provisional Decision in which I did not uphold this complaint. [The complainant] was invited to submit any further observations or evidence to me which might influence my final decision.

Background

On 11 November 2016, [Company X] advised [the complainant] that her current excess levels were below what is standard in the insurance market, which has been to her benefit.

¹ Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

However, [Company X] also stated that, as part of the marketing exercise, at the next policy renewal on 23 August 2017 they would review this.

However, [Company X] say that at no time did they advise that they would be offering [the complainant] more favourable excess levels and I have seen no evidence to dispute this.

On 22 August 2017, [Company X] confirmed that it would be dealing with the terrorism cover issue in a separate communication and, having regarded those particular issues as resolved, closed its complaint file.

I also consider those matters resolved and therefore do not need to include the evidence in relation to them in this document.

In her response to [Company X], [the complainant] confirmed her acceptance of [Company X's] resolution of those outstanding issues, save for the excess issue on her policy. [Company X] did not agree with [the complainant's] position regarding the issue of her policy excess.

On 30 January 2018, [Company X] communicated with [the complainant] and confirmed that no excess had been levied on her latest claim. I also note that zero excess had been levied for the previous claims as well.

I have reviewed the policy schedules from 2015 to 2018 and I note that each include an excess contribution for claims relating to 'Water and Oil'. It is therefore clear that [the complainant] has consistently renewed the policy under those terms and seeks now to alter them retrospectively.

Subsequent submissions

Notwithstanding my invitation, [the complainant] has not made subsequent submissions pursuant to my Provisional Decision of 20 July 2018.

Findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

In line with my statutory duty to disclose evidence, I have provided copies of the documents which I have relied upon in reaching my decision.

I consider that it was fair and reasonable for [Company X] to make a complete refund of the premiums paid for terrorism cover.

I provisionally find that [the complainant] has not been disadvantaged by the actions of [Company X] with respect to the excesses on [the complainant's] policies. In my view

[Company X] has already provided some benefit by removing the £150 excess levy on [the complainant's] latest claim in an effort to resolve this dispute with [the complainant] amicably.

I find [the complainant's] wish to have a new policy, which does not have an excess contribution for 'water and oil', to be wholly without merit. Excess contributions from claimants are standard elements in insurance contracts and it would not be reasonable for CIFO to interfere with the terms and conditions of the insurance policy contract in these circumstances.

Final decision

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

[The complainant] must confirm whether she accepts this decision either by email to ombudsman@ci-fo.org or letter to the Channel Islands Financial Ombudsman, PO Box 114, Jersey, Channel Islands, JE4 9QG, by 20 September 2018. The decision will become binding on [the complainant] and [Company X] if it is accepted by this date. If we do not receive an email or letter by the deadline, the decision is not binding. At this point [the complainant] would be free to pursue her legal rights through other means.

If there are any particular circumstances which prevent [the complainant] confirming her acceptance before the deadline of **20 September 2018**, she should contact me with details. I may be able to take these into account, after inviting views from [Company X], and in these circumstances the decision may become binding after the deadline. I will advise both parties of the status of the decision once the deadline has passed.

Please note there is no appeal against a binding decision, and neither party may begin or continue legal proceedings in respect of the subject matter of a binding decision.

Douglas Melville
Principal Ombudsman and Chief Executive

Date: _____20th August 2018_____