

Take COVER



Caroline Wells,
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Ombudsman Service, takes a look at some of the typical complaints the Ombudsman receives about insurance policies – and highlights some things to watch out for when taking out a policy...

Last year at the Financial Ombudsman Service – the free service set up by law with the power to sort out problems between consumers and financial businesses – we helped sort out over 30,000 insurance-related complaints. We're able to look at complaints regarding most types of insurance policies, from cars and motorcycles to pet insurance, to holiday, home and contents cover.

A good insurance policy can give you peace of mind should something go wrong. But we often see complaints where people haven't been made fully aware of the cover they have – and any limitations or exclusions that apply. Here are my top tips for things to bear in mind when taking out insurance:

Double insurance It's always worth considering whether you actually need



to take out an insurance policy. Many people don't realise that their existing insurance policies – like home insurance, for example – may cover you for things that you can insure separately, under policies such as legal expenses insurance or an extended warranty. Take the time to read and find out what cover you already have in place.

If you change insurance providers, be sure to inform your old insurer in case you're signed up for automatic renewal, or else you could end up with two policies.

Be upfront Insurers should ask clear questions when you take out insurance, so that you can give them all the information they need. It may be tempting to not tell your insurer about a recent illness, or perhaps that recent bump in the car park, to get a lower premium – but it could mean that the insurer won't pay out when you come to make a claim.

If, however, when making a claim you feel that the insurer has not treated you fairly, the Ombudsman may be able to help.

Beware of fronting! If you share a car with a friend or family member, it might seem like a good idea to put the person who has driven the longest or had fewer accidents down as the main driver, to reduce the cost of your premiums. This is known as 'fronting', and can result in an insurer cancelling your policy and rejecting any claims

you make. It makes more sense to be upfront from the start as to who the main driver is.

Avoid the hard-sell Many businesses will try and sell you insurance when you buy a new gadget, car or three-piece suite – but don't feel pressured in to taking out an insurance policy on the spot. Whether purchasing in a shop or online, you're under no obligation to take out a policy there and then.

Instead, ask the insurer for an information pack and take the time to understand what cover it provides – and what the limitations are – before signing up. If you shop around you may be able to get a better deal elsewhere, but remember that cheaper isn't always necessarily better. Make sure you find a policy that's right for you.

Don't underestimate! We've recently seen an increase in the number of people contacting us about cases where a business has rejected their claim, as they were 'under insured'. This is where the total value of the items being insured has been underestimated, which can affect any claim you make.

If you're insuring your home, inform your insurer of any high-value items you have. Should you make any other major purchases during the term of the insurance policy, tell your insurer so that they can be added to your policy.

FURTHER Information

If you have a problem with your insurance policy, you should find that you're able to sort things out with the insurer directly. But if for some reason you remain unhappy, the Financial Ombudsman Service may be able to help.

To find out more, call
0300 123 9 213 or
visit www.financial-ombudsman.org.uk

