

## **The complaint**

Mr I complains that Homeserve Membership Limited (Homeserve) mis-sold him a home emergency insurance policy covering his boiler and central heating.

## **What happened**

In 2012, Mr I took out a home emergency insurance policy for his boiler and central heating with a company I'll call X Limited.

In 2016, X Limited wrote to Mr I to say it would no longer be providing boiler and central heating care plans as a business and had chosen Homeserve to look after Mr I's boiler and central heating going forward.

X Limited also sent Mr I some information from Homeserve which said (among other things) Mr I's plan with X Limited would automatically be replaced by a 12-month insurance product arranged and administered by Homeserve.

Mr I renewed his policy with Homeserve over the following years. In January 2022, Mr I's boiler stopped working. He contacted Homeserve and engineers were sent out to investigate the fault. From these investigations, it was concluded the access to Mr I's boiler wasn't in line with the manufacturer's guidelines. Homeserve wrote to Mr I saying that, because of this, its policy wasn't suitable for him. Mr I's policy was cancelled and he was offered a refund of some past premiums and service fees along with some compensation.

Mr I has complained about how his insurer handled this matter and he's had our final answer on that complaint. But Mr I also says that, because he was told the policy wasn't suitable for him, Homeserve had mis-sold it.

The investigator who looked at Mr I's complaint didn't uphold it. She said Mr I had made previous successful claims on the policy and had had his boiler serviced in previous years, so hadn't lost out (which Mr I continues to dispute).

Mr I didn't agree with our investigator's findings, so his complaint came to me to decide. In my provisional decision of 2 May 2023, I explained why I didn't intend to uphold Mr I's complaint but for different reasons from those our investigator gave.

Mr I doesn't agree with my provisional decision. Homeserve hasn't responded to it. So Mr I's complaint has come to me for a final decision.

## **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, and for the reasons given in my provisional decision, I've decided not to uphold Mr I's complaint. Here's what I said in that decision:

*“I’ve looked at the documents Mr I was sent when his policy moved from X Limited to Homeserve in 2016. A letter from X Limited dated 11 November 2016 says (among other things): “...we will be no longer providing boiler and central heating care plans as a business and we have chosen Homeserve to look after your boiler and central heating going forward.”*

*The letter also says: “You do not need to worry about moving to Homeserve, we will do this for you. The change will be seamless and your new insurance-based contract will run for 12 months from 01 December 2016.”*

*In a letter to Mr I dated the same date as X Limited’s letter, Homeserve says: “I’m delighted to let you know that from 01 December 2016, we will be looking after the repair and maintenance of your boiler and central heating.”*

*Beneath a paragraph headed “What happens next?”, the Homeserve letter goes on to say:*

*“To make life as easy as possible, we’ll make the change automatically, so you won’t need to do a thing. But if you’d like to discuss your new policy, or if you would rather not proceed with the changes, just give us a call...”*

*From this information, I don’t think Homeserve sold Mr I a home emergency policy in 2016. Rather, I think it took over the home emergency cover Mr I already had with X Limited. Because I don’t think Homeserve sold Mr I the policy, it follows that I don’t think Homeserve mis-sold it.*

*If Mr I remains unhappy about the sale of the policy, he could complain to the financial business that originally sold him it (which I’ve referred to as X Limited in this decision). If Mr I does this, and isn’t satisfied with the response he gets, he can bring a new complaint to us.”*

In response to my provisional decision, Mr I says Homeserve clearly sold him the policy. In support of his position, Mr I says the contract he got from Homeserve dated 11 November 2016 states in three separate places that *“This policy is sold, arranged and administered by HomeServe.”*

While I understand the point Mr I makes, it doesn’t change my conclusions on this complaint. I’ve seen no evidence X Limited knew the position of Mr I’s boiler, so I don’t think Homeserve could’ve known about it when the policy was moved across. And I also think what happened here is Homeserve used its generic product literature when it took on X Limited’s customer “book” and didn’t adapt it for the business transfer. I haven’t seen any evidence of a specific sale between Mr I and Homeserve – as Homeserve says in its letter dated 11 November 2016, Mr I didn’t have to do anything to carry on with the policy. And the cover he got with Homeserve’s policy was the continuation of broadly similar cover he’d had with X Limited.

### **My final decision**

For the reasons given here and in my provisional decision of 2 May 2023 (and which now forms part of this final decision), I don’t uphold Mr I’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr I to accept or reject my decision before 11 July 2023.

Jane Gallacher  
**Ombudsman**

