

The complaint

Mrs R is unhappy with the way Avantia Insurance Limited trading as HomeProtect (Avantia) sold her home insurance policy.

What happened

Mrs R held a home insurance policy which she purchased through Avantia in January 2023. Shortly after this, Mrs R's property was burgled, and many valuable items were stolen. Mrs R made a claim to her insurer for around £28,000 worth of stolen contents and valuables.

Avantia communicated with Mrs R about her claim on behalf of her insurer. Mrs R's claim was accepted and she was initially offered £10,530 in settlement. This was based on the values of Mrs R's specified items, and other policy limits which it said applied to the items being claimed for.

Mrs R complained about the amount offered in settlement of her claim, and in particular the limits that had been placed on the settlement by Avantia. She said it wasn't clear from the sale of the policy that a £5,000 limit applied to the sum of high-risk items which hadn't been individually specified. She also said she'd specified items based on what she bought them for, rather than what it would cost to replace them.

Avantia said the policy limits were clearly set out during the sale, and within the policy literature. So it didn't agree it had done anything wrong.

One of our investigators considered the complaint, but he didn't think it should be upheld. He said Avantia was required to provide Mrs R with clear information and questions to enable her to provide the information the insurer would have needed to know. He was satisfied the online sales journey and policy documents made this clear, and so he didn't agree the policy had been mis-sold.

Mrs R didn't accept our investigator's opinion. So, as no agreement has been reached, the complaint 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, while I appreciate it will come as a disappointment to Mrs R, I agree with the outcome reached by our investigator. I'll explain why.

Firstly, I want to be clear here that this complaint focuses solely on Avantia and the things it was responsible for as Mrs R's broker. That means I'm considering whether it provided her with enough clear information about unusual or onerous terms, and whether the questions it asked during the sale were sufficiently clear to enable Mrs R to provide the right information.

I'll answer the complaint Mrs R has made about the settlement she has been offered by her insurer in a separate final decision.

Mrs R says the sales process didn't make it clear that a policy limit of £5,000 would be applied to all high-risk items which hadn't been individually specified. She also said she didn't realise she needed to provide the replacement cost for the items which she did specify.

I've considered the screenshots of the sales journey I've been provided by both Avantia and Mrs R. I've also gone through the online sales journey myself in order to help me decide whether I think Avantia failed to make the policy limits, or the information Mrs R needed to provide, clear enough.

The sales journey mentioned in numerous places that the figures being requested were the amounts required to replace Mrs R's contents. For example, it included a drop-down titled:

"How to calculate the replacement cost of your contents"

It also included the question:

"How much would it cost to replace the entire contents of your home as new?"

The sales journey also prominently set out important information about specified items, with further dropdowns titled:

"What are specified items"

and

"Understanding what items to specify"

And within the second dropdown it included the below explanation of the non-specified high-risk item limit:

"High-risk items worth less than £1,500 individually are collectively covered inside the home up to £5,000 or 20% of the contents sum insured (whichever is lower). For example, if you have 10 pieces of jewellery, each piece worth £1,000, you may choose to specify each one to cover the full replacement value of all 10 pieces."

This same information about the non-specified high-risk item limit is displayed within the section titled:

"Would you like to cover a high-risk item?"

By clicking on the dropdown titled:

"Understanding what high-risk items to specify"

I do appreciate Mrs R's point that she would only have seen the information about the limit if she clicked through one of the dropdowns. But there were prominent titles within the sales journey which were relevant to the cover Mrs R was selecting, with clear dropdowns offering more information.

I'd also note that Mrs R's policy schedule also set out the specific amounts she had specified her high-risk items worth more than £1,500 for, and it reiterated the information about the £5,000 limit for non-specified items. And Mrs R was asked to confirm she had read and checked her schedule – which was hyperlinked – prior to concluding the sale. So, even if Mrs R didn't follow the dropdowns for more information on specified items or high-risk items, I think the limit in question was clearly stated within the policy schedule, which should reasonably have been read as part of the sales process.

I've also seen that this information is repeated in the policy booklet which Mrs R was asked to confirm she had read during the sale. I want to make it clear that I don't think it would be reasonable to expect a policyholder to read through the entirety of their policy booklet during an online sales process in order to understand the questions they are being asked. So, if the above information were only included within the policy booklet, it's likely I'd conclude that Avantia hadn't been clear enough. But, as explained, the information above was also available during the sales journey and was included within the policy schedule too.

I do appreciate that the burglary happened very soon after Mrs R purchased the policy, and that she had intended to read the policy documents shortly after the sale – which is really unfortunate timing. But the question I need to answer is whether Avantia failed to make important information or questions clear enough as part of the sales process. And taking all the above into account, I think Avantia did enough to make it clear to Mrs R that she needed to specify any item worth more than £1,500 for its replacement cost and to provide information about the non-specified high-risk item limit.

There were other policy limits which Mrs R's insurer has applied to her claim. These were for "*cash & cards*" and "*visitor's contents*". These limits are clearly set out within the policy booklet.

I can see that these particular limits weren't specifically drawn to Mrs R's attention during the sale. But I wouldn't necessarily expect Avantia to highlight every single inner-limit that existed within each section of cover within the full home insurance policy that Mrs R bought, as part of the sales process.

I say this because home insurance policies cover lots of different eventualities and have specific terms, conditions, exclusions and/or limits which can apply to various parts of the policy. It simply isn't practical for a broker to be able highlight everything during the sale of a policy. Instead, I'd expect a broker to draw significant or onerous terms or restrictions to cover to the customer's attention. And I think Avantia did that in this case by including information about the need to specify items above £1,500, and the £5,000 non-specified high-risk items limit, in the sales journey and policy schedule.

I also note that the sales journey, and policy schedule, referred Mrs R to the policy booklet in order to understand the full terms and conditions of the cover she had purchased. I don't think is unfair or unreasonable, given what I said above about the impracticality of highlighting every single term or limit as part of the sales journey.

Based on everything I've said above, while I do appreciate it will come as a disappointment to Mrs R, I don't agree that Avantia mis-sold Mrs R's policy.

My final decision

For the reasons I've explained above, I don't uphold Mrs R's complaint against Avantia Insurance Limited trading as HomeProtect.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 6 September 2024.

Adam Golding
Ombudsman