

The complaint

Mr and Mrs C have complained that they were mis-sold a home insurance policy by Affinity Insurance Solutions Limited.

What happened

Mr and Mrs C purchased their home insurance policy online in November 2023. The policy included free family legal expenses cover.

The legal expenses cover includes cover for contract disputes. Mr and Mrs C made a claim to the insurer but it was refused. Mr and Mrs C say that Affinity provided documents at sale that showed that contract disputes were covered but did not make them aware that this was subject to conditions, which were relied on by the insurer to refuse the claim. Mr and Mrs C say the information provided to them at the point of sale was therefore misleading and the policy was mis-sold.

Affinity says it did not do anything wrong. It says that when Mr and Mrs C were provided with the quote for the policy online they were also provided with links to the Insurance Product Information Document ("IPID") for the home insurance and the legal expenses cover, as well as the full policy terms. It says the IPIDs give a summary of the main terms and informs the customer they should read the full policy documents for the full policy terms.

Affinity says that after Mr and Mrs C confirmed that they wanted to take out the policy, the policy details were sent out to Mr and Mrs C. Affinity says the cover letter advised them to read all the documents to ensure the policy was right for them, it provided a copy of the IPIDs and links to the relevant policy booklets. Affinity says it fulfilled all requirements to provide Mr and Mrs C with appropriate information about the policy.

Mr and Mrs C remained unhappy with Affinity's response and so referred the matter to us. They say that when the policy details were provided, they were only provided with the IPIDs and not the full policy wording and the documents are not the same, which causes confusion.

One of our Investigators looked into the matter. She did not recommend the complaint be upheld. She said the IPID is only a summary of the main terms of cover and it would not include all the terms and conditions of cover. She was satisfied that Mr and Mrs C had access to the full policy terms and so the policy was not mis-sold.

Mr and Mrs C do not accept the Investigator's assessment. They have made a number of submissions in response to the Investigator and in their initial complaint. I have considered everything they have said but have summarised their main points below:

- The Insurance Product Information Document is different from the full policy terms, which causes confusion. This discrepancy appears intentional and constitutes an unfair contractual term, as outlined in the Unfair Terms in Consumer Contracts Regulations 1999.
- The documentation provided to them at point of sale did not clarify the significant

exclusions and limitations of the policy. They did not receive the full policy document until after the sale.

- While the IPID is a summary, reliance on this document without further clarification regarding significant exclusions left the position unclear at the point of sale.
- The lack of clear information at the point of sale is in breach of the Financial Conduct Authority's ("FCA") Principles.
- Under the "Consumer Duty" firms must ensure customers understand the products they are purchasing, but the lack of clear information provided by Affinity hindered their ability to make an informed choice.
- He is neurodivergent and this sale may also have breached United Nations requirements and guidelines that business entities provide clear, accessible communication to consumers. Complex or ambiguous policy language may disproportionately impact individuals with accessibility needs, creating barriers to understanding and therefore fair access to insurance service.
- The financial and emotional impact of this oversight has been considerable and avoidable. If the terms had been made clear, they would have chosen a different policy.

As the Investigator has not been able to resolve the complaint, it has been passed to me.

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.

When considering what is fair and reasonable, I am required to take into account relevant law and regulations; regulator's rules, guidance and standards, and codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

The Financial Conduct Authority ("FCA") Handbook sets out a number of rules and guidance that I consider applicable to this case. These include the Insurance Conduct of Business rules ("ICOBS"); FCA's high-level standards: the Principles for Businesses; and the FCA Consumer Duty.

The Insurance Conduct of Business Sourcebook says that those selling insurance have a responsibility to provide appropriate information about a policy in good time, in order to put the customer in a position where they can make an informed choice about the insurance they are buying. This includes providing clear information about the main cover and any significant or unusual terms before the conclusion of the sale.

The FCA Principles of particular relevance to this complaint are:

Principle 6: "A firm must pay due regard to the interests of its customers and treat them fairly"

Principle 7: "A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading."

And

Principle 12: "A firm must act to deliver good outcomes for retail customers".

The Consumer Duty adds to the above rules requiring financial firms to communicate in a way which is clear, fair and not misleading by requiring firms to take into account things like the complexity of a product, the method of communication and any vulnerability

characteristics that might relate to how consumers receive communications.

I have also taken account of other relevant law such as the Equality Act 2010 and have considered the United Nations provisions referred to by Mr and Mrs C.

Given all of the above, essentially Affinity needed to provide Mr and Mrs C with clear information about the cover being provided, in order to put them in a position where they could make an informed choice about the insurance they were buying, before they went ahead with it. The more significant, unusual or onerous a policy term the greater the effort to bring it to the customer's attention should be, so that a customer can understand easily how the policy will work in practice.

Mr and Mrs C purchased the policy online. Once they had been provided with a quote, Mr C phoned Affinity to query the legal expenses cover. I have listened to recording of the call. Mr C said he could not see that legal expenses cover was provided as an option with the quote. Affinity's representative confirmed that it was included free as part of the policy. Mr C asked who the underwriter was, as he wanted to make sure any claims were not handled by an entity he had experienced poor service with previously. The representative could not confirm this with certainty. Mr C said he still wanted the main policy, so would check the documents and may arrange a separate legal expenses policy if the legal expenses cover was provided by the entity he was concerned about. There was no discussion about the actual terms of cover. I therefore do not think there was anything wrong with what Affinity told Mr C in this call.

Affinity has also demonstrated that when the quote was provided online, Mr and Mrs C were provided with links to the relevant documentation, which included the full policy terms and the IPIDs for the main home insurance cover and the legal expenses cover.

Affinity is an insurance broker, it is responsible for selling the policy but it was not responsible for the production of the documents themselves, which were produced by the insurer. However, it is still responsible for providing appropriate information, so it would have a responsibility to clarify anything that was deficient in the documents.

ICOBS requires the IPID to be a short (normally restricted to 1-2 sides) stand-alone document, drafted in plain language, which summarises the main terms of cover and main exclusions. It is intended to be a summary, in a standardised format that means customers generally can understand the main and most significant policy terms. It does not replace the full policy documents and it cannot (and is not expected to) include all policy exclusions for every section of cover.

The IPID provided to Mr and Mrs C here confirmed that contract disputes are covered and sets out some of the main exclusions of legal expenses cover. The main policy then sets out the full cover and exclusions that apply to each section of cover. I do not think the fact the IPID says it covers contract disputes but does not set out every exclusion to that part of cover is misleading in itself. I am satisfied that the IPID provided the information that would reasonably be considered significant and it made clear it should be read with the full policy document.

In addition, in my opinion, the policy exclusions about contract disputes are not unusual or unreasonable; and I do not think they are objectively the most significant terms for those considering legal expenses cover. I acknowledge Mr and Mrs C will likely say that they were significant to them but that is not the test. The IPID is not bespoke and is a requirement for all customers. This is not in itself unfair or unreasonable and is the practice required of insurers and those that sell insurance. I am satisfied that the IPID sets out sufficiently clearly

the main terms and limitations of cover in sufficiently clear plain language. I do not therefore consider that it breaches any of the applicable regulations, rules, law and guidance referred to above.

I also consider that this was provided to Mr and Mrs C in “*good time*”, as the IPIDs and policy document were available for Mr and Mrs C to read before confirming they wanted to proceed with the quote.

Affinity is also required by ICOBS to provide a copy of the IPID immediately after a sale. Affinity did provide a copy of the IPID with the policy confirmation and a link to the full policy document. I therefore think it satisfied the requirements here and do not think it can be criticised for not also sending the full policy document as a separate document, as Mr and Mrs C were given easy access to it within that same confirmation email.

Overall, I am satisfied that Affinity provided appropriate information in good time to make Mr and Mrs C aware of the information needed to be able to make an informed decision about whether the policy was suitable for their needs. Having considered everything carefully, I do not therefore think that the policy was mis-sold.

However, even if, for argument’s sake, I am wrong about this and the policy was mis-sold as the information provided to Mr and Mrs C during the sale process was deficient (which is not my finding), I do not think that it would have made any difference to Mr and Mrs C’s position. I will explain why. We are not a regulator, so I have no power to penalise or fine a financial business for any wrongdoing. My remit is to consider if any wrongdoing has caused financial or other loss and assess what needs to be done to put that right. In the case of a mis-sale, we would consider what the customer would have done if they had been aware of the policy term that meant their claim was not met.

Mr and Mrs C say that they would have taken a different policy. I think it is likely they would have still taken this policy, as it was a free add on to the home insurance, which was the main purpose of the transaction; Mr C confirmed in the phone call with Affinity that he was prepared to get an alternative standalone policy if the legal expenses cover didn’t meet his needs. It is possible they would have looked for an additional standalone policy but as stated above, the cover under this policy for contract disputes is not unusual, and in my opinion they are in line with most other legal expenses insurance policies that I am aware of. I have seen no evidence any alternative policy was available that would have given cover for the claim Mr and Mrs C wanted to make. I think therefore, even if the policy was mis-sold (which again is not my conclusion) there would be no award I could reasonably make to redress this.

Having considered everything carefully, I do not consider the policy was mis-sold.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs C and Mr C to accept or reject my decision before 25 February 2025.

Harriet McCarthy
Ombudsman