

The complaint

Mrs and Mr W complain that Aviva Insurance Limited mis-sold their household insurance.

What happened

On 27 March 2019 Mrs and Mr W took out a household insurance policy online with Aviva. The policy commenced on 1 April 2019. Prior to the policy being purchased, the terms and conditions were available to view online. Full policy documentation was provided to Mrs and Mr W after they incepted their policy.

Mrs and Mr W's policy with Aviva renewed each year and policy documentation was issued to them following each renewal. They didn't contact Aviva to query any of the policy terms and conditions until September 2023 when they made a claim for the loss of a diamond from an engagement ring.

Mrs and Mr W's claim for loss was dealt with under the contents section of their household insurance policy with Aviva. Aviva offered to cash settle the claim for £3,779.50, which it said was the cost it would incur if it were to repair the ring.

Mrs and Mr W were unhappy with the way in which Aviva had offered to settle their claim and said they'd experienced delay. So, they referred a complaint to our service, which was resolved by our investigator who was persuaded the offer made to repair the ring was fair and reasonable and recommended compensation of £300 to acknowledge the shortfalls in the service received.

After the complaint about how Mrs and Mr W's claim had been settled was resolved by our service they asked our service to assist them with a further complaint against Aviva. They stated it had mis-sold their household insurance because they were unaware that the cover they'd purchased online limited the extent of cover for contents taken outside the home. They said the policy terms were unclear about that and wanted our service to award compensation due to this ambiguity.

Our service referred Mrs and Mr W's concerns about mis-selling to Aviva and it investigated their concerns. On 22 July 2024, Aviva provided its final response to Mrs and Mr W's second complaint. It refuted their contention that it had mis-sold insurance and explained that the policy terms had been available to peruse prior to the policy being incepted online. It also stated the terms and conditions had been provided after the policy was purchased to enable Mrs and Mr W to satisfy themselves the policy was suitable to their requirements.

While Aviva didn't uphold Mrs and Mr W's complaint about mis-selling it offered to pay them £150 in compensation, which it said took into account poor communication relating to this complaint. But Mrs and Mr W were dissatisfied with Aviva's proposed resolution and asked our service to resume its investigation into whether the policy had been mis-sold.

Our investigator looked into what happened and empathised with Mrs and Mr W. But they didn't recommend upholding this complaint. They weren't persuaded that the policy had

been mis-sold and were satisfied the compensation already offered was reasonable and fair. So, they didn't tell Aviva to take any further action to resolve this complaint.

Aviva agreed with our investigator's view of this complaint. But Mrs and Mr W rejected it and requested an ombudsman's decision. I've therefore been asked to determine the fairest way of resolving what happened.

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.

My role is to decide the crux of the complaint and ensure that I respond to the main issues. Where I haven't commented on a specific complaint point raised by Mrs and Mr W or Aviva it's not because I've failed to consider it, but because I don't think I need to comment on it to reach what I think is the right outcome for the complaint as a whole.

The crux of this complaint is whether Aviva made a mistake, or treated Mrs and Mr W unfairly, such that it needs to now put things right. I'll explain why I'm not persuaded it has.

I'm aware that Mrs and Mr W informed our investigator, in response to their view on the current complaint, they still have concerns about how their claim for loss was dealt with by Aviva and the delay they experienced. But, as I mentioned in the background to this complaint, Mrs and Mr W's claim for loss has been resolved already by an investigator with our service. This complaint therefore won't address any concerns Mrs and Mr W have shared about that matter. Instead I'll focus on whether this policy was mis-sold.

It's clear from what Mrs and Mr W have told our service that they wanted to ensure the engagement ring that was the subject of the loss claim was insured while being worn outside their home. They believed the ring was insured under the policy they incepted in 2019 and subsequently renewed each year. And they say they only became aware of the limitation of cover when they sought to claim for the loss of a diamond in September 2023.

In thinking about whether Mrs and Mr W's policy with Aviva was mis-sold I bear in mind that they took out their policy online. So, I'll start by addressing how the sales process impacts on the outcome of this complaint.

As the policy was purchased online, the sale was conducted on a non-advised basis. This means that Aviva didn't recommend the policy or provide Mrs and Mr W with any advice as to the suitability of the cover they were selecting. Our service wouldn't expect an insurer to make enquiries with a customer about their policy requirements.

The sale of Mrs and Mr W's policy was conducted on a non-advised basis. Aviva didn't recommend the policy or provide Mrs and Mr W with any advice as to the suitability of the cover they were selecting. There was no interaction between Mrs and Mr W and Aviva prior to the point of sale. And Mrs and Mr W haven't contacted Aviva prior to any renewal or sale to request clarification on the extent of cover.

The fact that the sale was non-advised is crucial as this means Aviva didn't need to make sure that the policy it sold was suitable for Mrs and Mr W's needs. But it had a responsibility to provide information that was clear, fair and not misleading so Mrs and Mr W could make an informed decision on whether the policy was suitable. The responsibility for ensuring they had the cover they required rested on Mrs and Mr W.

Like many insurers that advertise policies for sale online, Aviva includes the full terms and conditions of its insurance policies on its website. A password isn't required to access these documents. So, future policyholders are able to read the relevant policy before they purchase and pay for it to check its suitability. I'm satisfied Mrs and Mr W were given that opportunity as part of the online sale process.

Aviva also explains on its website that a prospective customer can increase the cover their policy provides by purchasing additional insurance to protect, for example, personal items taken away from the home. The website states:

"Going further than our contents insurance, this covers you in and away from the home, in the UK, or anywhere else in the world. You'll be covered for up to £2,000 for any one item (although you can take out extra cover for anything that costs more)."

Aviva has said that once a policyholder incepts a policy it provides them with a welcome letter, a schedule of insurance and the full policy terms and conditions. It repeats this process following each renewal. Mrs and Mr W haven't disputed what Aviva has said about this or told our service they didn't receive policy documentation. So, I'm satisfied that appropriate policy documentation was sent to them by Aviva.

Like other insurers, Aviva expects a policyholder to read the policy documentation it has sent a policyholder. This is important because it enables a policyholder to make an informed decision about whether the policy they've purchased provides adequate cover. And this is why insurers offer a cooling off period – during which a policyholder can cancel they policy they've taken out without a financial penalty.

The responsibility for reading and understanding the policy terms and condition rests on the policyholder. However, Aviva has a duty to provide information about the policy in a clear, coherent and not misleading manner.

Mrs and Mr W told our investigator they weren't aware that cover for jewellery worn outside the home would be limited. They assert that the information about the extent of cover for contents away from the home is unclear within the policy they incepted and subsequently renewed. And they say this affected them adversely when they made a claim.

I can see that Aviva informed Mrs and Mr W that it thought the policy wording could have been clearer regarding how claims for contents away from the home would be settled. So, I've carefully considered whether information about how Aviva would settle a claim for contents away from the home, such as Mrs W's engagement ring, was set out in policy documentation in an unambiguous manner.

I'm satisfied that documentation Aviva sent Mrs and Mr W informed them of how it would settle claims brought under the contents section of the policy. The policy outlines that Aviva *"will cover contents which are lost or damaged while they are away from your home and garden on a temporary basis"*. And the policy schedule separates and distinguishes between contents within the home and those away from the home with differing levels of cover for each. The schedule explains that the total sum insured for contents at home is £50,000 and clarifies that *"the total sum insured for contents away from home is £2,000"*.

I'm satisfied the distinction within the policy schedule between contents within and away from the home is made clear. And I can see that the policy schedule has consistently been set out in this manner since Mrs and Mr W incepted their policy.

Cover for contents away from the home is typically always a policy 'add-on' offered by insurers. Because it's an extension of cover it will attract an additional premium. That's

because the risk the insurer is being asked to take on will have increased. Here, Mrs and Mr W didn't purchase additional cover for the engagement ring. They say they thought their policy would cover their contents for loss up to £50,000 while outside the home. But, as I've explained, I think the policy clearly explained that cover for contents away from the home would be limited to a significantly lower amount.

For the reasons already outlined, I'm not persuaded Mrs and Mr W's policy was mis-sold. It was clear differing cover would apply to contents within the home and those taken away from it. And I bear in mind that Mrs and Mr W's claim was, ultimately, settled in line with the policy terms. They therefore benefitted under the policy.

Aviva offered to compensate Mrs and Mr W a total of £150 in recognition of their concerns about the policy wording and poor communication. While Mrs and Mr W rejected the compensation offered, I understand from Aviva that payment of £150 has already been made to them.

I acknowledge Mrs and Mr W's frustration about their policy wording and the poor communication they experienced after raising their complaint. But I think the compensation already paid takes this into account. And I'm satisfied that the compensation Aviva has already paid is consistent with our approach in similar scenarios. I appreciate Mrs and Mr W want Aviva to pay more compensation. But I haven't seen enough to persuade me that a higher award is warranted here. So, I won't be asking Aviva to pay anything further to resolve this complaint.

For the reasons set out above, I'm not upholding this complaint. This now brings to an end what we, in trying to resolve Mrs and Mr W's dispute with Aviva, can do for them. I'm sorry we can't help any further with this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 6 May 2025.

Julie Mitchell
Ombudsman