

The complaint

Mr B complains Tesco Mobile Limited mis-sold him a mobile phone insurance policy.

What happened

In October 2021 Mr B took out a new mobile phone contract with Tesco Mobile. Insurance for his phone was included in that package. Mr B complained in September 2024 the insurance had been mis-sold. He said it had been added without his knowledge or consent. And this wasn't something he'd have taken out as he had access to insurance through his employer.

Tesco Mobile said the insurance had been sold over the phone but because of the time that had passed a call recording wasn't available. However, after the sale Mr B was sent a welcome pack which provided details of the insurance and information on how to cancel it. Mr B had also queried the cover he had in place in February 2024 but hadn't raised any concerns about the policy being mis-sold at that time. It didn't uphold his complaint.

Our investigator thought it likely information about the policy had been sent to Mr B's correct email address. And call notes indicated he discussed it within Tesco Mobile in February 2024. She thought if Mr B hadn't been aware he'd taken out the policy he'd have raised concerns about the sale earlier than he did. She also thought the information Tesco Mobile provided about the policy was sufficient for Mr B to decide whether it was right for him.

Mr B didn't agree. He said Tesco Mobile had recently sent him information which was intended for someone else. He hadn't received the welcome pack and thought that evidenced it could also have been sent to the wrong person. He said his bank statements didn't show a separate charge for the insurance and he would see whether he could provide those to us. However, we haven't received any further information from Mr B and, as the deadline for him to provide that has now passed, I need to reach 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.

I haven't seen anything to indicate Tesco Mobile provided Mr B with advice about taking out this policy. In particular the 'Demands and Needs' statement contained in the Insurance Product Information Document (IPID) is generic rather than specific to his circumstances. So I think it likely this was a non-advised sale. That means Tesco Mobile didn't need to ensure the policy was suitable for Mr B. But it did need to provide him with clear, fair and not misleading information so he could decide for himself if it was right for him.

I think the information about the policy would have made clear to Mr B what it covered. The 'Welcome Pack' explains that it is 'Damage Only Cover'. And the IPID which that document links to explains what is and isn't insured. I appreciate Mr B says he didn't need this policy because he could access discounted cover through his employer but as this was a non-advised sale it was for Mr B to decide for himself (based on the information Tesco Mobile provided) whether the cover it offered was right for him.

However, I appreciate Mr B's key complaint point isn't about that information but is that he wasn't aware he'd taken this policy out at all. And he doesn't recall being sent the 'Welcome Pack'. In support of that he's referenced the fact he recently received information from Tesco Mobile that was intended for someone else.

As there's no call recording from the point of sale I can't be sure what was said at the time. And it is of course possible information about the policy that Mr B should have been sent for some reason wasn't; the fact he's recently received information intended for someone else clearly shows errors can occur. But I don't think that's likely in this case. I say that because I've seen Tesco Mobile's records which show his email address has been correctly recorded and a copy of the 'Welcome Pack' which contains information specific to him that should have been sent to him at that address.

Mr B says the cost of the insurance wasn't shown separately on the statements he had with the bank he was with when the policy was first taken out. However, he hasn't provided evidence of that (I appreciate given the time that has passed it may be difficult for him to do so). But Mr B says he did see the insurance premium when he changed banks. The only reference in the notes Tesco Mobile has provided to him changing his direct debit details was in September 2023. If it was after that Mr B became aware that he was paying for the insurance and that wasn't something he'd previously been aware of I'd have expected him to raise concerns soon after finding that out. However, he didn't do so.

In any case Mr B had a further call with Tesco Mobile in February 2024. The notes of that say "*customer wants to know about the insurance he has, advised him it's a damage cover insurance*" I appreciate Mr B disputes that's what happened and says the purpose of the call was to discuss the security of his phone (he was concerned about what would happen in the event of a loss given he had banking information stored on it).

However, there's no reference at all to that in the call notes Tesco Mobile has provided. I think there would have been if that did form a substantial part of the discussion he had. In any event the call note clearly references Mr B querying the insurance cover he had in place and information being provided about that. I do think it likely that if Mr B had been unaware he'd taken out this policy he'd have raised concerns about it at that point. But he didn't do so until some months later.

Taking all of that into account, and on balance, I can't conclude Tesco Mobile did mis-sell this policy to Mr B. As a result I won't be asking it to refund the premiums he paid.

My final decision

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 May 2025.

James Park
Ombudsman