

The complaint

Ms S complains Tesco Mobile Limited (“Tesco”) mis-sold her an insurance policy for her mobile phone. She says she’s been charged for a policy she didn’t take out.

What happened

Ms S upgraded her mobile phone in May 2021.

In July 2024 she became aware she had been charged £6 a month for an insurance policy for damage-only cover for her mobile phone. Ms S says she didn’t take the policy out and the premium has been paid by direct debit. Ms S says she’s paid £6 per month from June 2021 to June 2024 which has cost £216.

Ms S questioned the policy with Tesco and was told she took the policy out in store verbally. Tesco was unable to provide evidence of Ms S taking out the policy.

Ms S says Tesco won’t refund the money she has paid for the policy and so she complained. Tesco say Ms S took out a new upgrade deal in May 2021. At the same time a damage only insurance policy was set up. Since the contract was set up in store Tesco was unable to verify what was discussed at the time. It says any purchase made with Tesco allows a 14-day cooling off period so Ms S had time to look over the contract and ensure the product was right for her, if it wasn’t then the policy could be cancelled without charge. Tesco say the insurance policy selected with the order would be displayed under the order details section of the service agreement, and this is provided for review before it is signed to complete the order. Tesco confirmed the welcome pack was sent to Ms S on 12 May 2021 which included details of the policy.

Ms S didn’t agree so she referred her complaint to this service. Our investigator concluded that given there is no available record of the conversation Ms S had when she upgraded her phone, and that Ms S was provided with details of the policy, together with a direct debit being set up – it’s more likely that Tesco did follow its sales process.

Ms S didn’t agree. She said Tesco haven’t produced evidence to refute her assertion that she never agreed to take out insurance for her phone. And the reason Tesco believed she had taken out the insurance was as a result of an error made by the agent who handled the transaction. Ms S says her failure to notice Tesco’s error doesn’t create a contract for insurance.

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.

Ms S says she clearly remembers taking out insurance for her son’s phone but not for herself since she didn’t require it. Her testimony is evidence, but I also need to look at the other available evidence to make my decision.

Ms S says she is being penalised because of a mistake made by the agent when she purchased the handsets. However, there isn't any independent evidence to support this. There is also no evidence to show that Ms S agreed to taking out the insurance policy.

There's no note of the conversation Ms S had with Tesco when she brought her phone so I can't be sure what was said. And in circumstances such as this, where evidence is incomplete, inconsistent or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence.

Tesco have told us their process when arranging this type of policy. As there is no independent evidence to show the process was adhered to, however, it does carry some weight. The process provides the agent would discuss the insurance policy generally and then if the customer was interested in taking it, it would be added to the order. Following this a welcome pack detailing the insurance policy is sent. Tesco has provided a copy of the insurance welcome letter sent to Ms S on 12 May 2021. This confirms insurance cover is in place and the amount of the premium. I'm satisfied that it was sent.

Ms S says she didn't read the emails from Tesco as she thought they related to the policy she took out for her son's phone. I understand why she may not have read those emails. However, if she failed to look at them this is not something for which Tesco can be held responsible.

So even if Ms S didn't take out the insurance policy for her phone, or the agent made a mistake in adding insurance policies for both phones, Tesco told Ms S that the policies had been taken out, and payment had been arranged. Tesco then continued to take payment for the policy. So, in my opinion, she did have the opportunity to check what she was paying for and to query the insurance. But she didn't do so until three years later.

Ms S had the benefit of the insurance cover, she didn't make a claim but would have been covered if she needed to, subject to policy terms. She ought reasonably to have known that she was paying for the policies since the payments were made from her account over that period.

Overall, there is not enough evidence to support the policy was sold incorrectly. It is not that I have any reason to doubt what Ms S has said but given the documentary evidence that is available, and the lack of any other evidence supporting Ms S version of events, I am unable to conclude that Tesco should refund all the premiums.

My final decision

For the reasons given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 20 June 2025.

Kiran Clair
Ombudsman