

The complaint

Mr G and Mrs G complain about Avantia Insurance Limited trading as HomeProtect (“HomeProtect”) for giving them unclear information and leaving them concerned about their level of insurance. They want Avantia to compensate them for their distress and inconvenience.

What happened

Mr G and Mrs G have insured their home via HomeProtect since 2019. They initially got a quote from HomeProtect through a comparison site.

They have renewed without issue each year.

In July 2024, HomeProtect sent them their renewal information. In the information HomeProtect included detail of the estimated rebuild cost for their home. This was detailed around £260,000.

The limit of cover was £1,000,000.

Mr G and Mrs G were concerned at the mismatched information and called HomeProtect.

They spoke to an agent and queried the information about the rebuild cost. The agent told them that consumers need to confirm the rebuild cost information and that many homeowners are underinsured. The agent implied that this information had been on previous policy documentation and Mr G and Mrs G must have overlooked it.

Mr G and Mrs G were concerned. They were anxious that their insurance may not be adequate in the case of a total loss. They complained to HomeProtect.

HomeProtect sent a response in July 2024. This detailed that the level of cover was set at £1,000,000 and was adequate in most cases. It also set out that Mr G and Mrs G would need to confirm if they believed that their rebuild cost would exceed this level.

Mr G and Mrs G remained unhappy and wrote to HomeProtect further. They then complained to us. They feel that the information has been confusing and they were left very anxious that their home was inadequately insured, and that if a claim arose they would not be properly covered.

One of our investigators looked into this matter and recommended that HomeProtect pay to Mr G and Mrs G £150 compensation for their distress and inconvenience. They considered that HomeProtect had provided unclear information and that it was unhelpful in response to Mr G and Mrs G’s questions.

Mr G and Mrs G did not accept that view and asked for an ombudsman 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 agree that the information provided to Mr G and Mrs G has been confusing at times, and I understand that this has caused them frustration.

It appears that an estimate of the rebuild value of Mr G and Mrs G's home was passed from the comparison site to HomeProtect when they first took out a policy.

At that time, HomeProtect applied a blanket coverage for the product of up to £500,000.

In 2022, HomeProtect increased the blanket band up to £1,000,000.

It does not appear that HomeProtect has set out the estimated rebuild cost to Mr G and Mrs G previously for them to confirm, but it has taken that information into account when setting premiums for them.

The coverage has not been limited by this figure, however, and Mr G and Mrs G have been insured for the costs of rebuild up to the limits of the policy.

When they saw this figure written in the renewal documentation, they understandably were concerned that it served as a limit on cover, or that it could be used as a reason to limit any settlement, if it were inaccurate.

HomeProtect has now explained that the detail is included to give Mr G and Mrs G the information that HomeProtect has, but that even if this figure is inaccurate, the level of cover is up to the policy limits.

When it was explained to Mr G and Mrs G that it was their responsibility to ensure that the rebuild valuation was correct, the agent ought to have made clear that Mr G and Mrs G needed to be satisfied that the level of cover was sufficient, rather than that the rebuild cost was precisely accurate.

If their home would cost more than the limit of cover to rebuild, and they experienced a total loss, then they might be underinsured, but if the cost of rebuilding remains below the level of cover (currently £1,000,000) then they would not be underinsured.

It is correct that consumers need to be sure of the level of rebuild cover needed, and the business would not confirm this for a consumer in most cases.

If Mr G and Mrs G are concerned that they may be, or may become, underinsured, there are a number of rebuild value calculators available online which could give them an idea of the rebuild cost for their home. If that exceeded the level of cover of their policy, then they would need to speak to their insurer and find a product with adequate cover, but there is no suggestion in this matter that Mr G and Mrs G have ever been underinsured.

The rebuild cost of a standard building will usually be lower than the sale price would be, as the value of the land wouldn't be included.

I therefore agree that HomeProtect could have been much clearer in its communication with Mr G and Mrs G, and that its agent was unhelpful when they spoke to Mr G, and I uphold Mr G and Mrs G's complaint.

Putting things right

Looking then to putting matters right, I appreciate that Mr G and Mrs G feel that they have

been caused substantial distress and inconvenience by this matter, which has dragged on for some months.

I do, however, agree with my colleague's assessment of appropriate compensation, as £150. This is because, whilst Mr G and Mrs G have clearly been distressed by this issue, the protection of the product has been in place throughout and their material circumstances have not changed. They have been insured for up to £500,000 or £1,000,000 throughout.

HomeProtect's failing was in communication, and in properly explaining to Mr G and Mrs G what they needed to check in order to be reassured. I appreciate that Mr G and Mrs G are upset by this, but I am satisfied that this level of compensation is in line with other awards we would make in similar circumstances.

My final decision

For the reasons given above, I uphold Mr G and Mrs G's complaint and I direct Avantia Insurance Limited trading as HomeProtect to pay to Mr G and Mrs G £150 compensation for their distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 21 July 2025.

Laura Garvin-Smith
Ombudsman