

The complaint

Miss V complains Tesco Mobile Limited mis-sold her a mobile phone insurance policy.

What happened

In July 2023 Miss V took out mobile phone insurance through Tesco Mobile (when she also acquired a new phone). She subsequently made a claim on her policy as she'd lost her phone. That was declined as her policy only covered damage. Miss V said she'd asked for loss and theft cover to be included and the policy had been mis-sold. Tesco Mobile said there wasn't a record of what was said when Miss V took out the policy (in store) but the information she was subsequently sent made clear what was covered.

Our investigator said he couldn't be sure what was said in store or whether Tesco Mobile's normal process had been followed. But he thought it likely a conversation had taken place. And the documentation subsequently sent did make clear what the policy covered. If that didn't match what Miss V thought had been agreed she'd likely have queried that at the time. He didn't uphold the complaint.

Miss V didn't agree. She said she hadn't read the documentation she was sent because she trusted Tesco Mobile to set up the policy she wanted. And there was CCTV of staff apologising when she went back into store after her policy hadn't paid out (though she accepted there would be no audio on this recording). She thought Tesco Mobile had acted wrongly and should compensate her. So 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 Miss V 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 her 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 Miss V. But it did need to provide her with clear, fair and not misleading information so she could decide if it was right for her.

As the insurance policy was sold in store there isn't a record of what was said. However, Tesco Mobile says its adviser would normally explain the available options (damage only or full cover) and outline the excess that applied to each. Miss V's recollection is there was a discussion over the policy and she said she wanted cover for loss and theft.

However, I think the information she was then sent about the policy would have made clear to Miss V it didn't cover that. Both her mobile phone contract and a 'Welcome Pack' say the policy is 'Damage Only Cover'. And the IPID, which the 'Welcome Pack' links to, explains what is and isn't insured. It says under 'What is not insured?' that for damage cover that means "*any claim for loss or theft*". The full terms (also linked to from the 'Welcome Pack') contain a table which makes clear loss and theft aren't covered under 'Damage cover'

Miss V says she didn't check those documents because she thought Tesco Mobile would have set up the correct policy. However, the details of the cover the policy offered are displayed on the front page of the 'Welcome Pack' her contract, the IPID and the terms and conditions. I think that would have made clear to Miss V what policy she'd taken out.

She's also told us the sales adviser appeared distracted and wasn't paying attention during the sales discussion. I think that would also have led Miss V to check the information she'd been sent. And if the policy she'd taken out wasn't what she'd asked for I think it likely she'd have raised concerns about that at the time. She didn't do that.

Even if the sales team did subsequently apologise to Miss V for the fact her policy hadn't paid out that's not the same as accepting there was a failing when it was sold. Miss V has also accepted any CCTV evidence relating to this wouldn't contain an audio recording. Taking all of that into account there's not enough here for me to conclude Tesco Mobile did anything wrong when selling this policy. As a result I don't think there's any further action it needs to take in relation to the claim Miss V subsequently made.

My final decision

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 13 February 2026.

James Park
Ombudsman