

## The complaint

Mr A complains that he was mis-sold a Bill Protector Insurance policy by Utility Warehouse Limited (“UW”).

## What happened

Mr A took out the insurance policy in February 2023, after he opened a UW account for his utility bills. The policy offered cover for Mr A’s Utility Warehouse services payments for up to six months, in the event Mr A became unable to work through injury, illness or involuntary unemployment. It cost £5.50 per month.

UW acted as administrators for the cover, with a third party underwriting the policy and a further claims administrator that was responsible for the operation of the policy.

In December 2024, Mr A made a claim under the policy, after his employment ended by way of redundancy.

On 13 January 2025, the claim was rejected on the basis that Mr A did not meet the policy’s conditions of eligibility – one of which required that he was permanently resident in the UK. The following month, the policy was cancelled.

Mr A made two complaints – one about the sale of the policy to UW, and another about the declined claim to the claims administrator. To UW, he set out that the additional cover had been included without his consent, and it had failed to provide the insurance he now needed.

In respect of this complaint, UW issued a final response letter to the complaint on 21 March 2025. It said Mr A would have added the Bill Protector during his initial sign up to UW and he was given sufficient information about the policy, including its eligibility requirements.

UW did, however, decide to provide a refund of premiums to Mr A as a goodwill gesture – though it still rejected the complaint. It credited £61 to his UW account – which represented just over 11 months of premiums, almost half the amount Mr A had paid for the cover.

Mr A brought his complaint to this service. He said that UW had added a monthly payment to his account on 31 January 2025 which led him to cancel his direct debit. At the time of complaining, the account had arrears of £782.78 which Mr A couldn’t pay whilst unemployed – and he says the failure to set out clear policy terms caused him this loss. He believed that UW should reverse the January 2025 payment as well as cancelling the arrears and debt recovery of his ongoing UW payments.

Mr A said that UW failed to properly address his concerns over the unfairness of the policy wording. He believed he was permanently resident - he held a visa which gave him the right to live and work in the UK, and he owned a UK property.

One of our investigators reviewed the complaint, but she didn’t think it ought to succeed. She didn’t agree that UW had advised Mr A to take out the cover. She felt the information UW had provided about the policy was sufficiently clear that it only offered cover to individuals

that were permanent residents in the UK - Mr A had been given sufficient time to read and understand the policy terms. And so, she could not agree that the policy had been mis-sold.

Mr A disagreed. He explained that the Financial Conduct Authority ('FCA') rules still placed obligations on businesses to behave fairly in respect of non-advised sales. In his view, it was misleading for UW's policy wording not to include an express definition of 'permanent resident', given he mistook it to mean 'permanent home'.

Mr A said that UW's wording was vague. He submitted that the ambiguity directly contravened the FCA's requirement that communications and contractual terms must be clear and unambiguous. He said that, in his view, to reach a finding that the policy was not mis-sold despite the omission of a definition for a key eligibility term disregards the regulatory protections that customer such as himself should receive.

Our investigator reviewed Mr A's further comments, but she disagreed that the complaint should be upheld, since she still did not consider UW had acted in an unclear or ambiguous manner when offering the policy to Mr A.

Mr A asked for the complaint to be referred to an ombudsman. He made further written submissions in which he noted that:

- He believed UW should be responsible for a full refund of the 23 months of premiums he had paid for the policy, with interest – and example final decisions on the Financial Ombudsman Service website showed this was the correct way to resolve his complaint.
- If being a 'permanent resident' was one of the critical criteria for eligibility for the policy, this ought to have had its own policy definition.
- Failure to include a definition means that UW acted ambiguously.
- He should otherwise have never been sold the policy, if he could not have been eligible to claim under it.
- He also believes that UW ought to be instructed to pay the consequential loss he has suffered by waiving the amount of financial arrears he owes to UW and accounting for payments he made during the period he believed he could claim under the policy (but in fact was not eligible to do so).
- He has insurance with another provider that defines 'permanent resident' as a home, rather than relating to immigration status. If UW intended the term to mean someone who has the legal right to reside permanently in the UK, it should have defined that term specifically in its policy wording glossary.
- Overall, Mr A feels that any doubt should rest with the insurer to clarify its insurance offering, not the customer.

UW had no other comments to make. The complaint has since been passed to me.

### **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've set out the background to this complaint in less detail than the parties and I've done so using my own words. And, in reaching my conclusions, I've focused solely on what I consider are the key issues. Our rules allow me to take this approach; it simply reflects the informal nature of our service as a free alternative to the courts, and no discourtesy is intended by it. If there's something I haven't mentioned, it isn't because I've ignored it. It's since I don't need to comment on each individual argument to reach my decision.

Before I go any further, I should be clear that this complaint is restricted to the issues brought solely to UW as they relate to the sale of the Bill Protector policy, which Mr A took out at the same time as opening his UW account. If Mr A wishes to pursue the matter of the declined claim, this is a separate complaint which rests with the third-party claims administrator that issued the separate final response letter.

Having reviewed this complaint carefully, I agree with the outcome reached by our investigator. That means though I realise my decision will be disappointing for Mr A, I won't be asking UW to do anything further to resolve the complaint. I'll explain my reasons below.

I note Mr A is unhappy with UW's decision not to include a specific policy definition of "*permanently resident*" in its glossary of policy definitions in section 14 of the policy wording. I cannot make a finding about that; my role isn't to substitute my view for that of a business but instead, to determine if a business has acted fairly in all the circumstances of a complaint.

We do not act in the capacity of a regulator. That remit falls to the FCA, where it may look at wider issues governing how businesses conduct their operations or exercise what may be commercial judgement on the provision of a particular service.

Instead, I have looked at the process regarding the sale of the policy to determine if I believe UW acted fairly and in line with its regulatory obligations. Having done so, I find UW has acted reasonably in all of the circumstances.

When Mr A applied for his UW account, he did so online. I recognise Mr A says he called UW and discussed issues with signing up, including adding Bill Protector Insurance to his account. However, I am satisfied that this was a non-advised sale. What I mean by that is that UW did not provide any form of personal recommendation that Mr A should take out the insurance. I can see Mr A has also identified with our investigator that he took the cover out through a non-advised sale.

That being said, UW still had a duty to provide information to Mr A which was clear, fair and not misleading – to allow Mr A to make an informed choice about whether or not to take out the cover, and in order to determine whether it was right for him.

To that end, when Mr A applied for the policy on 8 February 2023, a pop up box appeared during the sign up process which required confirmation of eligibility for the cover in order to proceed. That pop up box said:

*"Before you continue*

*We want to make sure that this product is right for you. Please check the following eligibility criteria apply to everyone you intend to be named on your UW account:*

- *You are over 18 and under 75 years of age*
- *You are a **permanent resident** of the UK*
- *You are working at least 16 hours a week in the UK on a contract that is permanent (a minimum of 12 months)"*

Mr A checked and agreed to the criteria. The following day, UW sent Mr A policy documentation which included an Insurance Product Information Document that set out, "*You must ensure that you are eligible for this insurance. The eligibility requirements are advised to you when you apply for/purchase this insurance and are stated in full in your Policy Document*".

The policy documentation then reiterated the same information as well as including a disclaimer at the beginning of the terms which explained that “*you must check that you are eligible for this insurance*” and went on to restate the eligibility requirements given above.

Mr A does not dispute the requirements were set out to him, but rather that UW should have included a specific policy wording definition of ‘permanent resident’ as he did not understand it on a plain interpretation of the terms.

While I appreciate Mr A feels there is nuance to the wording given above in bold, I do not agree. I believe that the wording is clear and unambiguous. It says that to be eligible for the insurance, the named UW account holders (only Mr A in this case) must be a permanent resident of the UK. Mr A lived and worked in the UK, but he did so by holding a visa with leave to remain; however, he had not secured permanent residency via an indefinite leave to remain in the UK.

I believe, on balance, that Mr A’s particular circumstances relating to his visa were reasonably known to him at the time of applying for the insurance. And I am not satisfied that an objective interpretation of the wording should be that ‘permanent resident’ should be conflated with a permanent residence or taken to mean a person that has a permanent home in the UK, as Mr A has suggested. Permanent residency for immigration purposes has a distinct legal status, one which is separate from property ownership. I believe it is clear UW asked about the former. And even if Mr A submits that other insurers choose to use different wording for similar cover, that isn’t relevant here – I must consider the actions of UW.

Regulatory guidance from the FCA requires businesses to ensure consumer understanding by providing simple communications that present information logically and clearly. I believe UW has done this; it did not include jargon or a technical term by asking if Mr A was a permanent resident of the UK – that is a generally understood phrase. I also do not accept that a redrafting of the policy wording to include a policy definition of ‘permanent resident’ would have led to any different outcome, as the policy definitions were only available after the cover had been accepted – before that, Mr A still had to provide an answer to the pop up box I’ve set out above. So, if Mr A had felt the policy eligibility criteria wasn’t clear at that time, he could have asked UW about it, given the onus on him to ensure he met those criteria in order to receive the benefit of the insurance set out.

Crucially, in a non-advised sale, it is for the applicant to decide for themselves if the policy being sought is appropriate for their needs based on receipt of information from a business which must be clear, fair and not misleading. That meant the duty to ensure that the policy criteria regarding age, residency and permanent hours of work were satisfied rested with Mr A – not UW. And I believe the criteria were laid out in an understandable format.

I am sorry to learn that the policy Mr A took out has not provided him the protection he believed he had secured in the event of redundancy. However, I cannot agree that UW misled him about the policy’s eligibility criteria. That Mr A sadly did not meet the relevant criteria to receive the insurance was a matter for him to determine on receipt of information which I find to have been fairly and clearly provided by UW. I therefore cannot uphold this complaint or provide any compensation on the basis sought by Mr A.

### **My final decision**

I do not uphold this complaint or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 January 2026.

Jo Storey  
**Ombudsman**