

The complaint

Mr D complains that Homeserve Membership Limited trading as Homeserve mis-sold him a personal accident insurance policy.

What happened

In 2009, Mr D was advised to take out a personal accident insurance policy by Homeserve. The policy continued to renew each year, with the policy underwriter changing at times and policy benefits increasing.

Unfortunately, in December 2023, Mr D suffered a nasty injury. He was treated at home, as he says there were no hospital beds. He bought equipment to support his home treatment and recovery. Mr D wanted to make a claim on the personal accident policy for the costs he'd incurred.

However, the policy underwriter told Mr D that there was no cover for his situation, as the contract only paid out benefit if a policyholder was hospitalised.

Mr D was very unhappy with the way the policy worked and he made a complaint about the sale of the policy and the information he'd been given by Homeserve. He was also unhappy that his situation wasn't covered by the contract terms.

Our investigator didn't think Homeserve had treated Mr D unfairly. She explained that Homeserve wasn't the policy underwriter, so it wasn't responsible for any decision not to cover Mr D's costs. She wasn't persuaded there was evidence to show Homeserve had mis-sold the policy to Mr D and she was satisfied it had given Mr D clear information about the way the policy worked.

Mr D disagreed and so the complaint's been passed to me to decide.

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.

Having done so, whilst I'm very sorry to disappoint Mr D, I don't think Homeserve has treated him unfairly and I'll explain why.

First, I'd like to say how sorry I was to hear about Mr D's painful injury and the impact this had on him. I do hope he's now made a good recovery.

It's also important I make it clear that in this decision, I will only be looking at whether I think Homeserve mis-sold Mr D the personal accident policy and whether I think it gave him clear information at each renewal. I won't be considering whether or not it was fair for the underwriter to conclude Mr D's costs weren't covered by his contract. That's because the underwriter is an entirely separate legal entity to Homeserve and Homeserve isn't responsible for the underwriter's actions. Homeserve's role was to sell and administer the

renewal of the policy. If Mr D is unhappy with the decision not to pay a claim on the plan, he'll need to complain about that issue to the underwriter directly. Homeserve told us that, in 2009, it advised Mr D to take out the policy. This means it needed to check the policy was suitable for him. It also needed to give Mr D enough clear, fair and not misleading information about the policy so he could check if it was right for him.

Given the time that's passed since the sale took place, Homeserve says it no longer has a copy of the sales call recording. Nor does it have copies of the documents that it sent to Mr D after he took out the policy. I don't think this is unusual, given the policy was sold over 16 years ago. However, Mr D hasn't pointed to anything specific which means that Homeserve's recommendation was more than likely unsuitable for him. It appears he was eligible for the policy and he hasn't raised any concerns about the affordability of the cover. So I haven't seen persuasive evidence that the policy was unsuitable for Mr D.

As Homeserve no longer has the sales documentation, I can't make a definitive finding on how clear the policy information was that it sent Mr D in 2009. With that said, Homeserve has provided us with copies of each renewal statement it's sent Mr D since 2015 onwards. I've looked carefully at this evidence.

In August 2015, the renewal documentation cover letter says:

'Up to £400 per week in the event of hospitalisation.'

Page two of the renewal documentation states:

'With your policy in place, it provides cover for

You, your family or guests in the event of accidental bodily injury sustained in your home or garden resulting in a hospital stay of more than 24 hours within 13 weeks of the date of the accident. Examples of accidents include slips on wet floors and trips on the stairs.

You for up to £400 per week in the event of hospitalisation and up to a maximum of £5,000 as a result of the accident within 13 weeks of the date of the accident.'

This information was echoed in the 2016, 2017 and 2018 renewal schedules, too.

By 2020, the hospitalisation benefit had increased to an upper limit of £800 per week. Page two explained the policy benefits and a copy of the Insurance Product Information Document (IPID) was enclosed. The top of the IPID states:

'What is this type of insurance?

This product provides assistance in the event of householders requiring a financial payment in the event of an accident resulting in injury occurring within the boundaries of their property, leading to hospitalisation, or death.'

The renewal documentation issued in 2021, 2022, 2023 and 2024 explained these benefits and all stated that benefit of up to £800 per week would be payable in the event of an accident leading to a policyholder's injury at home, which leads to their hospitalisation or death.

In my view, the renewal documentation makes it clear what cover the policy provides and that benefit is payable in the event of a policyholder's hospitalisation following an injury, in a fair and not misleading way. So I think this means that, in the round, Homeserve met its regulatory obligations to provide Mr D with clear, fair and not misleading information about

the way the policy worked and the cover it provided. And I find it gave him enough clear information to allow him to make an informed decision as to whether to continue to renew the policy each year or not.

On that basis, while I'm sorry to disappoint Mr D, I don't think there's persuasive evidence that Homeserve mis-sold the contract to him. And I'm satisfied that it gave him enough clear, fair and not misleading information about the policy at each renewal, so that he could decide whether or not to go ahead with renewing the policy. This means I don't find that Homeserve has done anything wrong and I'm not telling it to do anything more.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 4 December 2025.

Lisa Barham
Ombudsman