

## **The complaint**

Mr and Mrs C have complained that an appointed representative of Sesame Limited mis-sold their household insurance policy.

Mrs C has been the main contact on the complaint, so I will refer to her throughout.

## **What happened**

Mr and Mrs C took out a home insurance policy through Sesame in 2019, when buying a new home. The policy renewed each year since (until 2024) on the same basis. Mrs C says they asked for legal expenses and home emergency cover to be added to the policy in 2019 and thought this had been done. However, when Mrs C tried to make a home emergency insurance claim in 2024, she found cover had not been included.

As Mrs C wanted legal expenses and home emergency cover, and she was told they could not be added mid-term, she cancelled the policy and took another policy with the same insurer with home emergency and legal expenses cover included. Mrs C also asked that Mr C be taken off the policy (which she says she had asked for some time before) and another name added.

In 2025, Mrs C made a legal expenses claim, which was turned down by the insurer as the events leading to the claim happened before the policy cover started in 2024. Mrs C says she then realised the error in not having legal expenses and home emergency cover before 2024 was due to Sesame not including the cover in 2019, despite her asking for it to be included. Mrs C therefore complained to Sesame.

Sesame does not accept it did anything wrong. It says that Mrs C sent an email in August 2019 to ask it to go ahead with the insurance quote but it was not clear from that email that the two additional optional covers were required. Sesame says the policy was set up and Mrs C was provided with access to the policy documentation. It says that it was incumbent on Mrs C to check the cover and that it met her requirements; she could have cancelled the policy, if it was not suitable, but didn't do so. The policy renewed each year since and again Mrs C should have checked at each renewal that the cover met her requirements; she had sufficient time to check the policy cover provided before 2024.

In addition, Sesame says that Mrs C cancelled the policy in 2024 and took out a new policy in her sole name. Sesame therefore says the claim submitted in 2025 relates to the new policy that started in 2024 and not the policy it sold in 2019, so its sale of the 2019 policy is irrelevant.

As Mrs C remained unhappy with Sesame's response to her complaint, she referred the matter to this service. She says she sent an email to Sesame in 2019 that instructed it to go ahead with the quote provided for the home insurance and the two optional covers for legal expenses and home emergency, which she had held with her previous insurer before switching in 2019. Mrs C says that when she accessed her policy online, she was able to download the documents about the legal expenses and home emergency cover, further leading her to believe she had these covers had been included and nothing was provided to

her that alerted her to the fact they were not included.

Mrs C says the lack of legal support has caused immense stress and financial difficulty and potentially risked the outcome of the legal claim.

Mrs C also says she only cancelled the policy and took out a new one in April 2024 because she was told she could not add the cover mid-way through the year. Her complaint is that this would not have been necessary – and her legal expenses claim would have been covered – if it had been added in 2019 by Sesame, as she requested.

One of our Investigators looked into the matter. He recommended the complaint be upheld, as he was satisfied that Mrs C had instructed Sesame to add the home emergency and legal expenses cover to the policy in 2019. The Investigator said the policy schedules did not make clear that they had not been added.

The Investigator therefore recommended that Sesame should pay the legal costs Mrs C has already incurred and then pay for an assessment of the prospects of the claim by a solicitor of Mrs C's choice. The Investigator also said that if it is assessed that the prospects of the legal claim have been adversely affected by the lack of legal support, Sesame should pay amount the Mrs C would have obtained in the claim.

Sesame did not accept the Investigator's assessment. It remains of the opinion that the claim Mrs C wants to make is not relevant to the 2019 policy and it is not responsible for any lack of clarity in the policy documentation, which was produced by the insurer. Sesame also says that Mrs C is "*subject to the duty-to-read doctrine*" and she had ample time to review the renewal documents to ensure the policy met their needs.

As the Investigator was not able to resolve the complaint, it was passed to me. I issued a provisional decision on the matter in November 2025. I agreed with the Investigator that the complaint should be upheld but reached a different conclusion about how the matter should be put right. I have set out my provisional findings below:

"Sesame says that, as Mrs C cancelled the policy it arranged and has tried to claim under a new policy (that it did not arrange) it is not responsible for the claim not being met and it is irrelevant to its sale of the policy in 2019.

I do not agree. The crux of the complaint is that if legal expenses cover had been added to the policy in 2019 (as Mrs C says she instructed) it would have renewed with the main household policy each year and she would have had continuous legal expenses cover. As this was not done, Mrs C had to take out legal expenses cover in 2024 and her claim in 2025 was rejected as the events claimed for arose before the start of the 2024 policy. If she had held continuous cover from 2019, Mrs C says the claim would not have been rejected as she would have been on cover at the time the events arose.

Therefore, I do not agree that this is irrelevant to the 2019 sale and I do not think that the fact Mrs C cancelled the policy arranged by Sesame makes any difference.

I therefore have to consider whether the fact Mrs C did not have legal expenses policy in place from 2019 to 2024 is due to anything done wrong by Sesame; and if so, what needs to be done to put that right.

Was the policy mis-sold in 2019?

Sesame is subject to Financial Conduct Authority ("FCA") rules.

The rules required Sesame to give Mrs C appropriate information about the policy being sold *"in good time and in a comprehensible form"* so that she could make an informed decision about the arrangements proposed.

The FCA Principles for Businesses are also relevant here. Principle 2 says that a financial firm, such as Sesame, must conduct its business with *"due skill, care and diligence"*.

I have considered everything provided to me about the 2019 sale, and renewals since then, to determine if Sesame met its obligations under these rules.

On 14 August 2019, Sesame wrote to Mrs C as follows:

*"below is the quote from insurer:*

*- Maximum allowed on Business Stock and Equipment is £5000 combined. I ran the quote with £4,000 equipment and £1,000 stock and it did not affect the premium. The specialist advised that if you are taking out a separate business insurance for these items, then it would be best to set these figures to zero so that you're not dual insuring. This also does not affect the premium.*

*- You are covered automatically for property owners liability*

*- Legal cover is an additional £15.99*

*- Home Emergency is an additional £36.99*

*So total would be £859.37 if you were to add in the above additional elements."*

There was some further communication about what the home emergency cover would include and then on 15 August 2019, Mrs C wrote:

*"We are hoping to exchange later or in the morning*

*There is a chance I'll not have phone signal so if ... contacts you can you put our policy on risk?*

*Including the 2 options I think?"*

Sesame says the question mark at the end of the last sentence created ambiguity, so Mrs C's instructions were not clear. However, even if I accept this caused ambiguity, I have not seen any evidence that Sesame queried this. Sesame subsequently sent an email stating: *"your policy has not been put onto risk for you. You should receive an email from the insurer later today allowing you online access to download your documents"*.

I have not seen any evidence that Sesame queried the instruction about the additional covers, or informed Mrs C that the additional covers had not been added.

I therefore think Sesame did fail to conduct its business with *"due skill, care and diligence"*.

Sesame says that in any case Mrs C has a *"duty-to-read"* which means she should

have checked the cover and known she did not have these additional covers and made sure they were added at some point between 2019 and 2024.

There is no doctrine of “*duty-to-read*” under UK law. Having said that, there is of course some responsibility on customers to check the arrangements made and that they meet their expectations.

I have considered the information provided to Mrs C to assess whether I think it is reasonable to have expected her to have noticed Sesame’s error in 2019, or at any of the renewals since. When considering what could be reasonably expected of Mrs C in this regard, I have also to bear in mind that Sesame was the professional party in this transaction and therefore had a greater responsibility to comply with its obligations as an insurance intermediary.

Mrs C was entitled to expect that her instructions had been carried out. And I think it is reasonably clear she wanted the additional covers. It therefore seems to me that Mrs C had no particular reason ... to check they had been included.

The email from Sesame that confirmed the policy had been placed did not give the price or any other information that would have indicated that the legal expenses and home emergency cover had not been included. I also note that the policy schedules sent to Mrs C in 2019, and each year since, did not mention home emergency or legal expense cover at all, so also did not give any indication that they had not been included.

Sesame says it is not responsible for the information provided about the policy by the insurer. It is correct that Sesame did not produce the documents and did not decide what should, or should not, be included in them, but it was responsible for providing Mrs C with clear, fair and not misleading information about the policy and in carrying out its business with due diligence. I think this means that, if the documents provided by the insurer were unclear, or information was lacking, Sesame should have provided additional information to clarify anything unclear. But, also, it goes to whether I think it was reasonable for Mrs C to be expected to have spotted Sesame’s error in not including the cover in the first place.

As none of the documents mentioned home emergency or legal expenses cover at all, there was nothing to indicate to Mrs C that these options had not been added. And I also note Mrs C has said she was able to access the policy details for both these covers on her online portal. So, it seems to me that there was nothing to make it obvious that they had not been included. While there was a responsibility on Mrs C to check her cover, I do not agree that the error made by Sesame in 2019 should be disregarded and the responsibility transferred to Mrs C for not noticing its error sooner.

Having considered everything carefully, I do think that Sesame failed to conduct its business with the required skill and diligence in 2019 and as a result the additional covers were not included. The policy was renewed each year since and I have no reason to consider that Mrs C would not have wanted the additional covers to also renew each year, given its relatively low cost and that she clearly wanted it.

Therefore, I am satisfied that if Sesame had done what it should have done in 2019, Mrs C would have had continuous cover for legal expenses and home emergency since 2019.

I therefore need to consider what impact, if any this has had on Mrs C.

### How to put things right

Mrs C has said the home emergency claim was relatively low cost [and] she paid [for] the repairs for around £100. As this is less than the premiums she would have had to have paid for the cover since 2019, I do not intend to make any award in relation to this.

With regard to the legal expenses cover, this has had more impact on Mrs C. Her partner has an ongoing legal dispute. I have seen a letter from the legal expenses claims-handler for her new policy, which confirms the claim was refused, as the events leading to the legal claim had arisen before the start of the policy. Therefore, it seems likely to me that if cover had been provided in 2019, as Mrs C instructed, the claim would have been considered against the other policy terms.

I cannot assess if the claim would have met other policy terms (such as requiring it to have reasonable prospects of success) so I do not consider I can, at this stage, reasonably make any award towards costs incurred.

I consider the appropriate way forward is for Sesame to instruct specialist legal expenses claims-handlers to assess the claim against the policy terms that would have been in place in 2025, if the policy had been sold in 2019 and renewed since then.

If it is determined that the claim would have been covered under the policy terms that should have been in place in 2025, Sesame should reimburse any legal costs already incurred by Mrs C and indemnify her for the claim going forward (in accordance with the policy terms).

Sesame will be entitled to assess any such costs for reasonableness. However, I do not consider that any policy terms restricting the hourly rate paid to a policyholder's own choice of solicitor can be imposed, given that Mrs C had no option but to instruct her own solicitor and did not have the option of a panel solicitor at the time.

As any such costs to be reimbursed are not yet determined, I cannot direct in this decision that Sesame add interest to the payment. However, Sesame should consider if it would be reasonable to add interest to the reimbursement of any costs already paid by Mrs C.

In addition, had Sesame correctly added the legal expenses cover from 2019 to 2024 then Mrs C would have had to pay the premium for that cover. Therefore, I consider that Sesame would be entitled to deduct the amount of the premiums that should have been paid, and any policy claim excess, from any payment to be made to her.

If Mrs C is unhappy with the assessment of the claim, or any settlement offer made by Sesame, she can bring a separate complaint about that.

### Compensation

In addition to assessing the claim as set out above, I consider that some compensation for the trouble caused to Mrs C is warranted. Mrs C should have been able to submit the home emergency claim and legal expenses claim and had the peace of mind that she required since 2019. Mrs C had to cancel the policy and make new arrangements and has had the worry about not having legal support.

I do not know if this has impacted the running of the legal claim or impacted the chances of the legal claim succeeding, as it has not yet been established that the claim would have been met under the policy that should have been in place since 2019. This award is therefore not intended to compensate for any such impact or possible lost opportunity. It is solely to compensate for not being able to claim and the trouble caused by that. If it is established the claim would have been covered under the policy, that should have been in place since 2019, and there is evidence that the outcome of the legal claim has been impacted, then that can be brought as a new complaint.

Having considered everything carefully, I consider the sum of £500 to be appropriate.”

### **Responses to my provisional decision**

I invited both parties to respond to my provisional decision with any further information or arguments they want considered.

Mrs C confirmed she accepts my provisional decision and has nothing further to add.

Sesame does not accept that the steps I have asked it to take to put the mis-sale of the policy right are required.

Sesame says it is Mrs C's partner that is seeking to make the legal expenses claim and it does not consider that he would have been covered under the policy, even if legal expenses cover had been provided to Mrs C in 2019.

This is based on information Sesame has obtained from the broker that issued the policy. The broker has said Mrs C was told she could not add her partner to the policy in 2024 because he did not have a financial interest in the insured property; she told the broker that he had acquired that interest in March 2025 and he was added to the policy then. However, his claim relates to events that happened before March 2025 and therefore before he was insured under the policy. Sesame therefore says it is not necessary to instruct a specialist legal expenses claims-handler to consider the matter. The broker just needs proof of the date of the incident the claim relates to, and the date Mrs C's partner gained a financial interest in the property, to determine whether the 2019 policy would have provided him with cover.

### **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 considered all the evidence again and Sesame's response to my provisional decision, I do not see any reason to change my provisional findings.

Sesame has said the broker that issued the policy (on behalf of the insurer) has said Mrs C's partner would not be covered unless and until he had acquired a financial interest in the insured property.

There is no evidence from the insurer to support Sesame's interpretation of the policy cover.

It is for an insurer to determine whether a claimant is eligible to claim under a policy, which is why I have proposed that, as Mrs C cannot now ask an insurer to assess the claim, it should be assessed by independent specialist legal expense claims-handlers instead. It is not for another insurance intermediary or broker to determine.

I have, however, considered the Family Legal Expense cover policy document applicable in 2022, as this is the version on file. The policy provides cover for "you" or in respect of "your claim" and it defines "You/Your" as being:

- "a) The person named as the policyholder in the schedule.*
- b) The husband or wife of the policyholder, or the policyholder's partner or civil partner who lives at the same address and shares financial responsibilities...*
- c) The children of the policyholder, normally resident in the home."*

I have no reason to think that the earlier or later versions of the policy would define these terms differently, as similar definitions are common to most if not all policies of this type.

So, to be covered under the policy Mrs C's partner would have to live with her at the insured property, as her partner, and share "*financial responsibilities*". I do not consider it likely that an insurer would consider that sharing financial responsibilities means that there must be a declared financial interest in the insured property. It seems to me that sharing financial responsibilities could simply mean sharing responsibility for *some* household expenses.

I do not, however, make any formal finding on this point, as I do not think I need to in order to fairly determine the complaint about the sale of the insurance by Sesame in 2019. But, given what I have said, I am not persuaded that it is clear that Mrs C's partner would not have been covered.

Having considered everything again, I remain of the opinion that the appropriate way forward is for specialist legal expenses claims-handlers to assess the claim against the terms of the policy that would have been in place if Sesame had acted with due skill and diligence in 2019. Part of this assessment would be to determine if Mrs C's partner meets the definition set out above and is entitled to cover under the policy.

Neither party has made any further submissions about the compensation or other directions I proposed. I therefore see no reason to change those either.

### **My final decision**

I uphold this complaint against Sesame Limited and require it to do the following:

- appoint independent specialist legal expense claims-handlers to assess Mrs C's partner's claim against the terms of the legal expenses cover (other than terms relating to the date of occurrence and any conditions about the terms agreed with solicitors) that should have been sold to her in 2019 and thereafter.
- Indemnify Mrs C for any costs that are assessed as being covered going forward, in line with that cover.

- If Mrs C have already paid for legal fees incurred from the date cover should have been provided, that are assessed as being covered by the policy, Sesame should reimburse those costs in full, up to the policy limit, less the appropriate premium that would have been charged for the legal expenses policy from 2019 to 2024, and any claim excess. (As explained above, Sesame would be entitled to have any costs assessed for reasonableness generally but cannot reasonably seek to impose any policy terms about the hourly charging rate.)

Sesame Limited should also consider paying interest on any costs to be reimbursed from the date Mrs C paid them to the date of reimbursement.

- Pay Mrs C the sum of £500 for the inconvenience caused by its handling of this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 15 January 2026.

Harriet McCarthy  
**Ombudsman**