

complaint

Mr C (representing Mr B) has complained that Mr B's home insurance policy was mis-sold by The Prudential Assurance Company Limited (Prudential) when it was taken out back in 1988.

background

Mr C has explained that the freeholder of Mr B's property was responsible for insuring the buildings and, therefore, Prudential should not have sold the policy (which included buildings cover) to Mr B. Mr C has requested that Prudential refund all of the premiums paid since the start of the policy.

Prudential did not offer to refund any payments but did refer the matter to the last insurance company who agreed to reimburse the premiums for the period that it had been providing the policy. Prudential confirmed that the property had been insured by a different insurer prior to that, but it no longer held any details about this. It also highlighted that a renewal invite had been sent each year and this gave Mr B the opportunity to inform Prudential of any changes or amendments that needed to be made to the policy. Mr C remained unhappy with Prudential's response and referred his complaint to this service.

Our adjudicator did not uphold the complaint. She did not feel there was any evidence to indicate that the policy had been mis-sold. Mr C did not accept this as he felt that Prudential should have been aware that buildings cover was not required, given that Mr B was only the leaseholder. He requested that the complaint be passed to an ombudsman for a final decision.

my provisional findings

I repeat here the main points of my recent provisional decision on this case:

"It is clear that the policy renewed on a yearly basis and, strictly speaking, it can be said that at each renewal a new contract is formed. However, I have seen no evidence to suggest that Mr B contacted Prudential at any time to advise that buildings cover was not required. It does not seem to me that Prudential acted unreasonably in offering to renew the policy each year and there is nothing to suggest it acted unfairly or unreasonably.

I have no reason to dispute that Mr B did not need buildings cover. However, there is nothing to suggest Prudential added it to his policy without his consent. I can understand why Mr C is unhappy but it does not follow that I consider Prudential automatically did something wrong. The last insurer who provided cover has refunded all of the premiums but this was as a gesture of goodwill rather than any acceptance of any failings. It is clear that a previous insurer did provide the policy before that and Mr C may choose to approach it (if he has any papers to show who it was) if he so wishes.

I have seen that the policy was sold on or around the start of August 1988. However, Prudential did not become members of the ombudsman scheme in place at the time until later that same month. The rules that govern this service state that we only consider complaints against businesses that were regulated at the time of the event complained about. As the sale of the policy took place just before it became a member I would be unable to comment on whether the policy was mis-sold or not for the first year of the policy. However, even if I set aside the first year it is clear that the late Mr B was

provided with renewal documentation each year that would have showed cover for buildings insurance was in place he could have taken action on any of the renewal dates to cancel this part of the policy if he did not want it. The policy running for so many years indicates to me that Mr B chose to have buildings cover in place and never raised any issues with Prudential about this."

Prudential responded confirming it had nothing further to add.

Mr C came back with some further points. I note the main elements of these below:

- Mr B believed he needed to insure the building. Prudential should have made him aware he did not need buildings insurance. Any claim would not have been paid out anyway;
- the previous policy came from Prudential there was no previous insurer;
- Prudential's policy clearly states it was a member of the Insurance Ombudsman Bureau;
- by inviting renewal each year it was perpetuating the mis-selling;

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Although I appreciate the effort made by Mr C in coming back with the extra points noted above none of these outweigh the considerations made in my provisional decision. In this case I feel that the points raised are very similar to those raised originally and add nothing further to allow me to change my approach. Therefore, I see no reason to change the decision.

In summary I find that Prudential:

- sold the policy prior to the date it joined the relevant ombudsman scheme and therefore this service is unable to make a decision on whether the home insurance policy was mis-sold at the outset;
- offered the policy renewals fairly and reasonably in the years following the start of the policy.

my final decision

I do not to uphold this complaint.

I make no award against The Prudential Assurance Company Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 11 December 2014.

John Quinlan
ombudsman