

complaint

Mr J complains that Homeserve Membership Limited mis-sold him a Plumbing and Drainage insurance policy.

background

In July 2011, Mr J's water company introduced him to Homeserve.

Homeserve spoke to Mr J about taking out a policy to ensure that all possible water problems would be covered. Homeserve also tried to sell Mr J insurance for electricity and gas problems but Mr J said he would prefer to buy the product originally described for drains, pipes and water supply in his property.

When Mr J subsequently tried to register a claim under his policy for a leaking water supply pipe, he was told this was not covered under his insurance policy. Mr J therefore complained to Homeserve.

Homeserve said it was unable to locate the original sales call but offered to refund Mr J the premiums he had paid for the policy. Homeserve also offered Mr J a discount of £30 on another policy he held with it.

As Mr J remained dissatisfied, he brought his complaint to the attention of this service.

Our adjudicator took the view that the offer made by Homeserve was fair and reasonable in the circumstances. Mr J did not accept our adjudicator's opinion and has requested that an ombudsman review his complaint.

my findings

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

It is unfortunate that the sales call between Mr J and Homeserve is not available. As such, it is not possible for me to determine with any certainty exactly what was said at the time the policy was sold.

The only contemporaneous evidence which is available from July 2011 is the documentation provided to Mr J by Homeserve after the telephone call. This sets out the extent of the policy coverage and states that external water supply pipes are excluded. I understand Mr J has explained why he did not check this at the time but we would generally expect a consumer to take some care to ensure that the product they have purchased provides the desired level of cover.

In any event, if a business provides incorrect information then of course it should put this right. However, this generally means putting the consumer back into the position they would have been in if correct information had been given (and not as if the incorrect information were true).

In cases involving the sale of an insurance policy, this would generally mean cancelling the policy and refunding any premiums paid. This is what Homeserve has already offered to do.

I understand Mr J says he would probably have sought more comprehensive insurance elsewhere if he had not been transferred through to Homeserve by his water company in 2011. However, it is likely that any such cover would have been significantly more expensive than the Plumbing and Drainage cover.

I appreciate that Mr J would like compensation towards the cost of having his water supply pipe replaced but we cannot seek to punish or discipline a business through our awards. It would not in my view be fair or reasonable to require Homeserve to pay for the cost of an event which was not covered by the policy Mr J purchased.

my final decision

My final decision is that I do not uphold this complaint.

I make no award against Homeserve Membership Limited.

Christopher Tilson
ombudsman