

complaint

Mr and Mrs S complain they were mis-sold household insurance by St Andrew's Insurance Plc (St Andrew's). (The insurance was sold under the name of a high street bank. But St Andrews is responding to the complaint). They feel they have been charged too much for the cover. They are unhappy they weren't assisted by the insurer's emergency service. And they don't think they should have to declare, to other insurers, a claim they withdrew.

background

In 2008 Mr and Mrs S took out household insurance. This was renewed for a number of years. In 2013 a door at their home was damaged. The insurer's emergency service wouldn't help them. It said they didn't have this optional cover. They made a claim under the buildings insurance. The insurer said the policy had an excess of £200. As the cost to repair the damage was only £350 they withdrew the claim.

Mr and Mrs S say they were pressured into buying the original policy. They felt they would be refused some borrowing they were applying for. They believed they had an excess of £50 and the emergency service option. They think the policy's 'limitless' property rebuild cost was unsuitable and made the policy unnecessarily expensive.

They also feel they have been charged too much, finding they could get similar cover, with St Andrews and other providers, at a much cheaper rate. They also feel they have had to pay more for their new insurance as they have to declare their withdrawn claim.

Our adjudicator didn't think the complaint should be upheld. He didn't think it was likely Mr and Mrs S had been pressured into buying the insurance. He didn't agree with them that the policy was unsuitable. He thought the insurer had been entitled to deny them the emergency service assistance. Mr and Mrs S weren't happy with this so the complaint has been passed to me.

my findings

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, I'm not upholding Mr and Mrs S's complaint.

was the insurance mis-sold?

Neither St Andrew's or Mr and Mrs S have been able to provide much information from the time of the sale. Mr and Mrs S have given a limited recollection of what happened. Overall I haven't seen anything that makes me think they were pressured into buying the policy.

Mr and Mrs S also say they were told the policy had a £50 excess. And that they had the emergency service option. I don't know what was said during the sale. And I haven't seen the original policy schedule, or any other documents from the sale, St Andrew's say these aren't available. So I've very little information on which to decide this.

St Andrew's say the excess was originally £150, but was increased to £200 at the first renewal. The 2013 renewal letter has the excess at £200. I haven't seen anything that

makes me think Mr and Mrs S were incorrectly told it was £50. And St Andrew's was correct when it told the couple their excess for the claim was £200.

I think similarly about the emergency service option. The 2013 renewal document says they didn't have this optional cover. So I think the insurer was entitled to refuse this assistance. And I haven't seen anything that makes me think Mr and Mrs S were told, during the original sale, that they had this option. Or that it's been removed without their knowledge.

Mr and Mrs S say the policy's 'limitless' property rebuild cover made it unsuitable for them. They say it made the policy unnecessarily expensive. I don't think this feature means the policy was unsuitable. It's fairly common in buildings insurance policies. It removes the risk the policy holder might be underinsured. And it seems St Andrew's wasn't able to offer cover with a specified rebuild limit. And I haven't seen anything that makes me think it significantly affected the cost of the insurance.

And I don't think the policy was mis-sold on the grounds of cost. Mr and Mrs S say they remember it cost £700. St Andrew's has shown it was originally £500. Mr and Mrs S may still consider this high, but it seems likely that at the time they were aware of the price. I don't think they were pressured into taking it out. So it seems they took the cover out willingly, knowing its cost.

declaring the withdrawn claim

St Andrew's has provided evidence that it hasn't recorded the door incident on the claims database used by the insurance industry. Mr and Mrs S did experience a loss though. So they may need to declare this to insurers. They should check with St Andrew's and their current insurer.

the cost of the policy

This service will consider whether a consumer has been treated fairly by an insurer. With the cost of insurance this means looking at whether the insurer has applied its own approach to pricing and underwriting correctly. We also consider whether a consumer has been misled. But we don't try to set prices. And we don't assess whether a policy is value for money compared to other available products.

St Andrew's says the premiums have always been set in line with its pricing structure and underwriting guide. I don't have any reason to doubt this. I can see that the cost increased over the years at renewal. It reached £800 by 2013. But insurance prices often increase over the years. And I don't think the year on year increases were particularly significant or unusual.

In 2013 Mr and Mrs S found they could get insurance with the same provider, and others, for much less. I accept that St Andrew's was able to offer Mr and Mrs S a different policy at a cheaper rate. But I think it did enough to make them aware of this possibility in the 2013 renewal document. It said:

"We constantly review and update our product range. Some of these may now be more suitable for you, even if your circumstances haven't changed."

It doesn't seem that Mr and Mrs S looked into this. It seems they found the cheaper quote after being dissatisfied with St Andrew's response to the damaged door. I don't know if

St Andrew's, in previous years, had other suitable products available, or if told Mr and Mrs S it might. But it doesn't make a difference to my decision. This is because it doesn't look like Mr and Mrs S acted upon the information in the 2013 renewal. So I don't see why they would have done so in previous years. And I haven't seen anything that makes me think St Andrew's misled Mr and Mrs S into thinking their renewal price was the cheapest available on the market.

So I don't think Mr and Mrs S have lost out as result of anything St Andrew's has done wrong. So I'm not upholding their complaint.

my final decision

For the reasons given above, I don't uphold Mr and Mrs S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to let me know whether they accept or reject my decision before 29 July 2015.

Daniel Martin
ombudsman