

complaint

Ms C complains that Access Self Storage (Insurance Administration) Limited ("ASSL") mis-sold her a storage insurance policy.

background

Ms C made an enquiry with ASSL in early November 2011 and reserved a storage unit. The reservation was confirmed via an email from ASSL on the same day.

Ms C packed her items for storage a few days later. She also visited the store to sign a confirmation of insurance document and storage licence agreement. Each recorded the true replacement value of the goods as being £2,000.

The building where the goods were stored suffered water ingress. Ms C was notified, and she reported damage to her goods. She made a claim for £10,810 in May 2012. It became apparent that the insurance cover purchased was not representative of the total value of goods in storage. As the policy was subject to an average clause, the underwriter reduced Ms C's claim in direct proportion to the degree of underinsurance. It calculated her claim settlement to be £266.09. The issue of the settlement of the claim has been dealt with under a separate complaint to our service, and I make no comment on that.

Ms C also brought this complaint about the mis-sale of her insurance policy. She says she was told, when arranging to rent a storage container, that she could not use her own home insurance policy, but that she would have to take out the new policy from ASSL. She is also unhappy she only had £2,000 worth of cover. In addition, she raised concerns about storage licence issues and the maintenance of the storage facility at the time of the water ingress.

Our adjudicator investigated the complaint. She confirmed that only the regulated sales activity fell within our jurisdiction and could be investigated by this service. She assessed the sales evidence available and concluded that ASSL had made Ms C reasonably aware of the need for insurance, had provided additional information about the insurance and indicated to her that the onus was on her to ensure she declared a true replacement value of her goods. The adjudicator also concluded that there was a lack of evidence to support Ms C's contention that at the time she was told it was mandatory to use ASSL's insurance policy (as opposed to her own home insurance). She also considered that if Ms C was dissatisfied with the cover offered, she could reasonably have cancelled the policy and taken alternative action between November 2011 and May 2012.

Our adjudicator found no concrete evidence to support the suggestion that Ms C had made alternative enquiries nor sought other costings at the time of taking out the policy. She was unable to say for certain that Ms C would have gone ahead with her home insurance cover at the time.

Ms C did not accept our adjudicator's findings. She maintained she had her own home insurance policy which would have been transferred over to cover the stored goods once an assessment had been made of their value, and felt she had provided sufficient evidence of that.

The matter has therefore been referred to me for a final decision.

my findings

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

I appreciate Ms C has raised a number of issues as part of her complaint and that the matter itself has been extremely distressing for her. This service, however, is bound by rules set out by the Financial Conduct Authority ("FCA") as to what complaints we can investigate. Despite ASSL being regulated by the FCA, it does not automatically follow that every activity it undertakes is regulated, or will fall within the jurisdiction of this service.

In this case, the only activity about which Ms C complains, which is regulated and on which I can decide, is the sale of the insurance policy. Ms C will need to pursue her other concerns (about the storage licence and building maintenance) with ASSL directly.

Ms C and ASSL have given differing accounts of what was said at the initial enquiry and at the point of sale of this insurance policy. As the relevant conversations took place over the telephone and in the store (and no call recording is available) it is not possible to know exactly what was said. In that case, any paperwork provided at or about the time of the sale is important as evidence of what was likely to have been discussed and agreed. Ms C has confirmed that she received an information pack at the time of sale, and a copy of the 'Confirmation of Insurance' document. Copies of this documentation have been provided.

ASSL has also supplied a copy of an email it sent to Ms C's email address on the day she made her enquiry. The email includes the following statement:

'Arrange Insurance Insurance is a requirement of storage in the UK. We can arrange a storage policy for just £5.00 per £1000 of cover (minimum of £2000 of cover is required). Please bring the total value of your goods and click here.....for the Key Facts'.

The policy terms and conditions also state:

*'You promise and assure us:-
...that prior to bringing the Goods onto the site you have insured or will insure the Goods....under a valid contract of insurance with a reputable insurance company for their full replacement value...'*

The wording in both documents indicates that insurance is mandatory; however it does not state that the insurance must be taken out with ASSL, although it offers that option. While I appreciate Ms C maintains she was told it was mandatory to take out the cover with ASSL, I have seen no compelling evidence to support that; and given the wording of the documentation provided, I consider it more likely than not that ASSL did not deliberately mislead Ms C into believing that was the case.

I am satisfied, in any case, that Ms C had access to the correct information in her policy documentation, and could have raised the matter further with ASSL or ultimately cancelled her insurance and taken alternative action between November 2011 and May 2012.

With regard to the issue of the replacement value of Ms C's goods, I have examined the copy 'Confirmation of Insurance' provided. The document requires the 'True Replacement Value' of the goods to be specified as part of the declaration which was clearly made and signed by Ms C. The amount hand-written in both words and numerals is £2,000. The

'Storage Licence Agreement' signed by Ms C also identifies the total replacement value of the stored goods as £2,000. As well, the key-facts policy summary states that the insurance cover is conditional on the policyholder insuring for the true replacement value; it also makes it clear that it is the sole responsibility of the policyholder to ensure the sum insured is maintained at an adequate level.

Ms C has suggested that she did not read the terms on the 'Confirmation of Insurance' agreement at the time, and that it was not clear to read. However, I consider the document is clearly set out, and that even if Ms C did not read all the terms, the section in which the replacement value amount was inserted was specific, unambiguous and obvious, being just above where Ms C signed the document. The significant difference between the amount inserted on the certificate (£2,000) and what Ms C has since said is the true value of the goods in question (£65,000) also suggests that if the first amount was incorrect or unintentional, then it would have been apparent at the time.

The customer declaration in the Confirmation document states:

'...I/We confirm that the sum insured represents the True Replacement Value of all my/our property stored and that I/we will maintain the Insurance on this basis at all times

I/We have read and agree to the terms and exclusions of the Insurance as detailed in the 'Need to Know- Key facts' booklet....'

The document also states:

'4) UNDER INSURANCE (AVERAGE CLAUSE)

If you fail to declare the True new replacement value of Your property on the Confirmation of Insurance, in the event of a claim You will only be entitled to recover from the Insurer the proportion of the loss as the declared value bears to the full new replacement value of Your property. You are at risk if You do not insure Your goods for the True Replacement Value.'

I am therefore satisfied that Ms C should also reasonably have been aware of her obligation to take responsibility for ensuring the amount insured was correct. I consider it is not fair or reasonable to hold ASSL responsible for the fact that goods were insured for the incorrect amount.

I have also taken into consideration the evidence provided by Ms C to support her assertion that had she known the true cost of her policy based on the true replacement value of her goods, she would have taken out insurance with her home insurer. Ms C has provided a letter from her home insurer ("B") confirming she had cover for her home address up until two days after her goods went into storage, and that:

'During the time of your insurance [B] would consider requests to insure contents in storage on an individual basis and if we were unable to assist we would refer the request onto [another insurer] for their consideration.'

This letter, however, was issued after Ms C's claim was made and does not in itself confirm that Ms C made a specific request or enquiry for alternative cover at or about the time she took out the policy with ASSL; or that B would have insured Ms C's goods in storage based on her circumstances, or on terms acceptable to her. I am therefore not persuaded that Ms C would have acted differently; or indeed that she did not or should not reasonably have

known the cost of the ASSL policy for the true replacement value of her goods in any case (given the email sent to her on the day of her enquiry to ASSL).

I am satisfied that the policy was not mis-sold to Ms C.

my final decision

For the above reasons, it is my final decision that I do not uphold Ms C's complaint.

I make no award against Access Self Storage (Insurance Administration) Limited.

Helen Moya
ombudsman