

complaint

Mr and Mrs K complain Santander UK Plc (Santander) mis-sold them household insurance.

background

In 2012 Mr and Mrs K took out household insurance at a Santander branch. In 2013 they were burgled. They claimed for items stolen. But they were told their policy had a £11,500 valuables limit. This meant they were underinsured.

Mr and Mrs K say they were told, when the policy was sold, their valuables limit was around £40,000 to £50,000. And if they'd known it was only £11,500, they wouldn't have bought the policy.

Santander says Mr and Mrs K turned down a policy with unlimited buildings and contents cover. And they chose a cheaper policy with agreed cover levels, including the £11,500 valuables limit. Santander says Mr and Mrs K were sent policy documents, after the sale and at renewal, explaining the cover levels. It thinks Mr and Mrs K should have checked these and told it about any changes needed.

Mr and Mrs K also say they were pressured into buying the insurance. Santander denies this.

The adjudicator didn't think the complaint should be upheld. He said Mr and Mrs K turned down a policy with unlimited cover. Instead they chose one with a set valuables limit. He thought the valuables limit may not have been explained at the sale. But it had been made clear to them in policy documents sent after the sale. So he didn't think the insurance had been mis-sold. Mr and Mrs K disagreed, so the complaint's 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 this, I'm not upholding it.

what was said at the sale?

It seems there was probably a discussion about cover levels. Mr and Mrs K say they told Santander they wanted cover for £40,000 to £50,000 worth of valuables. And they were told the policy had this. Mr and Mrs K's total contents limit is £40,000. So it could be that there was a misunderstanding between Santander and Mr and Mrs K about the two limits. So it's hard to know what did happen during the sale. But I've looked at what information was provided after it.

what information was given to Mr and Mrs K after the sale?

Policy documents were sent to Mr and Mrs K a few days after the sale. Very similar information was in the renewal documents sent a year later. The covering letters explain cover levels are given in the policy schedules. And they ask Mr and Mrs K to check the documents and call Santander if anything is wrong.

Both the total contents and valuables limits are shown on the first page of the policy schedules. The total contents limit is £40,000, with valuables at £11,500. I think Mr and Mrs K would have understood this information and what it meant.

The valuables limit is found under the heading '*the following individual limits apply*'. Mr and Mrs K's valuables seem to be mostly jewellery. I think they would have understood these are considered as 'valuables'. But if they didn't, a definition of valuables is provided in the policy document.

I don't know what was said or agreed at the sale. But I think Mr and Mrs K should have understood from the documents that they didn't have a £40,000 valuables limit. The information was clear enough. And it's reasonable to expect them to look at it, particularly at the renewal, to check the cover's right for them.

So from what I've seen about the valuables limit, I don't think Santander mis-sold the policy. Perhaps there was a misunderstanding at the original sale. But it then provided good enough information for Mr and Mrs K to decide if the policy was right for them. They had a chance after the sale, and at renewal, to review and change the cover levels if they wished.

were Mr and Mrs K pressured into buying the insurance?

Mr and Mrs K have provided copies of text messages sent to them by Santander. They say these show they were pressured into buying the household insurance. But the text messages seem to be related to the sale of a life assurance policy. I haven't seen anything else that makes me think they were pressured into buying the household insurance.

my final decision

For the reasons given above, I'm not upholding Mr and Mrs K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs K to accept or reject my decision before 29 December 2015.

Daniel Martin
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