

The complaint

Mr C complains about Saga Services Limited (“Saga”) and the information they provided to him at the point of sale of his home insurance policy.

What happened

In December 2019, Mr C purchased a home insurance policy through Saga, who were acting as the broker and intermediary. This policy included both building and contents cover, both underwritten by different insurers.

Mr C renewed his policy through Saga in 2020, 2021 and 2022. Unfortunately, in early 2023, Mr C’s wife lost a ring that held financial and sentimental value within their home. So, he made a claim on his contents cover, underwritten by an insurer I’ll refer to as “A”.

But A declined his claim, explaining the policy didn’t cover Mr C for valuables lost within his home. Mr C was unhappy about this, and he didn’t think Saga had made the scope of the policy clear to him when he purchased it. So, he raised a complaint with Saga, explaining his belief that they had mis-sold the policy to him.

Saga responded to the complaint and didn’t uphold it. They explained Mr C took out the policy online, on a non-advised basis. So, they thought the emphasis was on Mr C to fully understand the scope and limitations of the policy and because of this, they didn’t think they had mis-sold it. But they agree to provide feedback to their business improvement team, to recommend that their communication be clearer in explaining misplacing an item in the home wouldn’t be covered. Mr C remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn’t uphold it. They were satisfied the policy was sold on a non-advised basis. And they felt Saga had provided Mr C with the correct policy documentation, that set out what cover he held within it. While they understand the specific scenario Mr C found himself wasn’t outlined directly, they didn’t think it was reasonable to expect Saga to outline every possible situation, and what would and would not be covered. So, as our investigator didn’t think there was any evidence to show Saga led Mr C to believe he would be covered if a ring was lost within his home, they didn’t think Saga needed to do anything more.

Mr C didn’t agree. He thought in Saga’s final response, they had made it clear they felt the policy wording was unclear. So, he maintained his belief that the policy had been mis-sold and because of this, he wanted his claim with A to be accepted. As Mr C didn’t agree, the complaint has been passed to me for a decision.

What I’ve decided – and why

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 the complaint for broadly the same reasons as the

investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr C. I recognise the ring held a significant financial and sentimental value, and so, I can understand the upset Mr C and his wife would've felt when they realised it had been lost. I also recognise Mr C paid for a home insurance policy that included contents cover to assist him both practically and financially in a situation such as this, so a replacement could be purchased.

So, when Mr C made a claim and it was declined, I can understand this shock and upset this would've caused. And I can understand why Mr C would revisit the initial sales process of the policy and feel as though the policy had been mis-sold, as I don't dispute he wasn't aware of the full scope and limitations of the cover he held. So, I can understand why he thinks Saga have acted unfairly and wants them to aide him in overturning the claim decline.

But I think it's important to set out clearly what Saga's role was in this situation. Saga were acting as the insurance broker and intermediary, and not the underwriter. So, Saga are responsible for the sale of the policy, and the administering of the claim on the underwriter, in this case A's, behalf. But crucially, Saga aren't responsible for the way the policy is worded. Nor are they responsible for A's decision to decline the claim. Any concerns regarding the policy wording, or the claim decline, would need to be directed to A directly, and investigated by our service as a separate complaint.

Because of this, Saga don't have the power to overturn A's decision to decline the claim. And this isn't something I'd be able to direct, even if I did think they had mis-sold the policy. But in this situation, I don't think I can say that's the case. And I'll explain why.

Saga have confirmed Mr C purchased the policy in 2019 online. And, that this was a non-advised sale, meaning Saga didn't speak to Mr C or make any recommendations as to whether the policy he was purchasing suited his needs. Because of this, I'm satisfied Saga wouldn't have provided any misinformation to Mr C directly that would incorrectly lead him to believe the policy would provide him with a greater level of cover than it did.

But in a non-advised sale, our service would still expect Saga to ensure Mr C had all the information he needed to understand the scope of the policy, and any limitations. I've seen that Mr C was provided with the policy documentation, including the policy schedule and terms and conditions, in 2019 and then at renewal in 2020, 2021 and 2022.

And in all the policy and renewal documentation, I can see Saga made Mr C aware of his responsibility to review the documentation and ensure it met his needs. So, this is all I'd expect Saga to do.

While I do recognise Saga, in their response to Mr C's complaint, said they would provide feedback to their business improvement team, I don't think this was an admission that they had done something wrong. I would expect Saga to take learning from a customer complaint and find ways to improve and I think this is evidence of them acting proactively, in good faith. But this doesn't alter the fact that, in a non-advised sale, Saga's responsibility was to provide Mr C with all the information he needed to ensure he had the correct level of cover himself. And I think they did this.

I appreciate Mr C will likely disagree with this. And he thinks the limitations of the policy should've been made clearer. But I don't think it's reasonable to expect Saga to provide a list of all scenarios where the cover may not meet a customer's needs, due to the large amount of scenario's that would need to be described and the fact every claim will most likely differ

considering they will also centre around separate, individual circumstances.

So, while I do recognise the impact this situation has caused Mr C, I don't think this has arisen from anything Saga has done wrong. And because of this, I don't think they need to do anything more on this occasion.

My final decision

For the reasons outlined above, I don't uphold Mr C's complaint about Saga Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 October 2023.

Josh Haskey
Ombudsman