

## **The complaint**

Mr K complains that Acorn Insurance and Financial Services Limited (Acorn) didn't sufficiently notify him of an increased excess charge, following a claim under his home insurance policy.

## **What happened**

Mr K bought a home insurance policy online. He used a price comparison website and selected Acorn as it was the most competitively priced. Mr K was transferred to Acorn's website to complete the sale.

Mr K said that throughout his sales journey he wasn't made aware that there would be an increased policy excess. He said he had input an excess of £100 on the comparison website and as Acorn indicated that the policy excess would be £100, he selected this.

Mr K lost his mobile phone and made a claim. His claim was validated, and Acorn made a settlement payment, but deducted £500. Mr K complained as he said that at no point did Acorn make him aware of this increased policy excess. So, he felt that Acorn had mis-sold the policy and he wanted it to refund him £400, as well as pay compensation for the trouble and upset caused.

Acorn issued its final response and it said that Mr K, during the sales journey was asked to view the policy endorsements that were specific to the policy that he had purchased. Further, it said that the information was also available in the policy documents once they were issued. And that it had asked Mr K to read all the documents carefully before committing to obtaining the policy. Finally, it said that Mr K had a 14-day cooling off period, if he found that the policy didn't meet his needs.

Mr K was unhappy and referred a complaint to our service. One of our investigators considered the complaint and thought it ought to be partially upheld. She agreed that Mr K was asked to tap into a link that would allow him to view all the excesses and that it was easy for him to do so. But she said that Acorn ought to have made it much more obvious to see, without the need for Mr K to tap a link. She said that Acorn hadn't mis-sold the policy but as it hadn't made the increased excess more obvious, it ought to pay Mr K £100 compensation for this error. She didn't think that Acorn had overall mis-handled the claim.

Mr K didn't accept the view, he maintained that Acorn ought to have made it obvious about the increased excess, which it didn't do. He said that he wanted the ombudsman to decide that Acorn should pay him £400, as the agreed excess had been £100 at the time of making payment for the policy.

Acorn also didn't accept the view. It provided evidence to show that the excess charges and endorsements were available to view before the policy was taken out, so it also asked for an ombudsman review.

## 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.

I considered the complaint, and I thought the complaint shouldn't be upheld. I issued a provisional decision on 7 November 2023 and asked both parties to send me anything else by 5 December 2023. In my provisional decision I said:

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

*Having done so, I'm minded not to uphold this complaint. I understand that this is likely to be a disappointment to Mr K, but I hope my provisional findings explain why I think this is fair.*

*I've considered the comments and evidence from both parties. I have also reviewed the policy terms and conditions and in particular examined Mr K's sales journey. I think that the main issue of this complaint, is whether Acorn provided enough information about the increased excess charge and the endorsements before the policy was taken out. As well as post-sale. So, I've concentrated my provisional decision on these issues.*

*Mr K bought his policy with Acorn online. He said that when he inputted his information, the price comparison website showed that Acorn's excess was £100. And as the price of the policy was competitive, he selected Acorn as the provider.*

*Mr K also said that Acorn was mis-leading as the quote he received from the price comparison website had no links to the endorsement or higher excess charges. He said that nowhere in the information he was provided with, indicated that there would be a higher excess applicable. And he felt that Acorn were unfair to effectively hide this in the policy endorsements.*

*He disputed what Acorn had said, that the price comparison website had displayed standard excesses that weren't applicable to the policy he had chosen. As he felt that a price comparison website would not be able to decide what excess should be applied to an insurer.*

*Finally, he said that Acorn hadn't explicably warned him about the higher excess pre-purchase. And had it done so he wouldn't have bought it from them. He felt misled by Acorn and the price comparison website. And again, requested a reimbursement of the £400 he had over paid, when he made a claim. Mr K attached a screenshot of what he saw on the website.*

*I understand that he said that the excesses displayed on that page, indicated a much lower amount. But I note that at the top of the page, it asks the question: 'How would you like to pay for your policy'. It then displays the cost of the policy, with the option of paying on a monthly or annual basis. Acorn said that this page was just the page that gave details about the premiums. Given what I have read, I agree.*

*Although, it is correct there are excesses displayed on that page, they are almost overwritten by the premiums that are displayed. Moreover, on page two of the document, there is a warning in bold letters. It states: 'Review Cover Details' and that 'It is important that you understand the cover provided to you before you proceed. Please click the links below to view your policy summary and conditions, excess and any endorsements that apply to this policy.' There are then two links inviting the user to explore the endorsements and view the excesses.*

*From the evidence, I don't think Mr K reviewed the cover details. And I don't think he viewed the excesses or endorsements contained in the links. The rest of the document relates to other add-on cover and the premiums that would be charged if selected. Consequently, I think this document not only gives details about the premiums, but also how important it is to check all the policy details, which I'm currently satisfied Mr K didn't do.*

*I'm also satisfied that there was sufficient information contained on the page, for Mr K to have tapped on the link if he wished to do so. But, again, I don't think he chose to do this either. So, I don't agree that this wasn't clearly displayed.*

*Acorn provided me with the landing page on its website, which it confirmed hasn't been changed in any way for several years. On that page, I can see that there is no overlay of the excesses with the applicable premiums. Also, on the second page is the warning that it is important to check all the documents. As well as two links in bright orange, inviting the user to check all the excesses and the endorsements. Consequently, at this stage, I'm satisfied that Acorn have shown that the excesses and endorsements were available to view, prior to the purchase of any policy.*

*In addition, Acorn has provided evidence that a customer would have to have ticked that they have read all the policy documents before being able to purchase the policy. Mr K said that he bought the policy online, so he must've indicated that he read all the documents, otherwise, the sale wouldn't have been able to be completed.*

*I've also reviewed the documents that were issued to Mr K post-sale and indicated within them are the excesses and endorsements. Again, a warning is given that all documents should be read to ensure that the policy meets the customer's needs. And more importantly, it gives a 14-day cooling off period if the policy wasn't suitable. I think that Mr K had the responsibility to check all the documents sent to him, in addition to checking the information pre-sale (i.e. viewing the information in the links) and I'm not convinced that he did this here.*

*On balance, I think Acorn provided more than enough information pre and post-sale, for Mr K to make an informed choice, before proceeding with the purchase. And, if he felt after he received the policy documents post-sale, that the policy no longer met his needs, he had the option to cancel his policy within the first 14-days.*

*Taking all of the evidence into consideration, I think the sales journey, as well as the policy documents make it clear that there were endorsements and excesses. I currently haven't seen enough evidence to show that Acorn acted unfairly to charge the excess payment. If Mr K has further evidence that is contrary to this, I will of course consider it. But for now, I intend not to ask Acorn to do anything further here.*

Responses to my provisional decision

Acorn had nothing further to add.

Mr K said that he didn't agree that the excesses and endorsements were available to view before he purchased the policy online. He provided a video that he recorded in May 2023, to show what he saw before the policy was bought. He said that the excess was shown as £100 for both buildings and content.

He said that it was illegal and unfair for Acorn to have hidden the excess charge and all he saw was a charge of £100 not the exorbitant excess of £500. He agreed that he indicated that he had read all the terms and conditions but also said the following:

*'It is true that I purchased the policy by agreeing to all T&C but who can read each and everything in the T&C and agree before expiry of the webpage. The Insurance companies should show important bits about the policy ie. excess without going into clicking extra links etc. I never agreed for the hidden £500.00 excess for my contents when I paid for the policy and it was not acceptable that they have included £500.00 excess for my contents without my agreement.'*

Finally, he believed that Acorn was 'buying time to modify' its website and rectify any mistakes or add extra information in the review policy section.

I have carefully considered the additional evidence and comments made by Mr K and unfortunately, they don't change my findings. And I'll explain why.

Mr K said that it was illegal and unfair for Acorn to have hidden the excess charges and that essentially, he only saw the excess charge of £100 displayed on the website. He provided me with a recording of what he saw pre-purchase of the policy.

I have reviewed the video that he sent, and it displays the landing page of the price comparison website that Mr K used initially. It does not display Acorn's website at all. Having reviewed Acorn's landing page (which I accept hasn't changed for several years) this clearly indicates and highlights that the user ought to read all the excesses and endorsements that are relevant to the policy they might wish to purchase.

It is right that there are links, which means that the user would have to tap into those links to read the further information disclosed within them, but those links are in bright orange, so I think are easy to see.

Further, there is an interactive section on the page, which meant that the user would have to indicate that they had read all the policy terms and conditions, before going on to the next stage. Mr K appears to admit that he hadn't read all the terms and conditions of the policy. And instead, indicated that he had done so. In these circumstances, I can't agree that the blame for Mr K failure in reading the policy terms and conditions ought to lie with Acorn. As, I don't agree that it hadn't clearly displayed the need and importance, of reading all of the policy terms and conditions (including the excesses and endorsements) before completing the purchase of the policy.

In addition, Mr K had 14-days cooling off period, after he had purchased the policy, to allow him to read it and ensure that it was suitable for his needs. I can't see that he availed himself to this.

I understand that Mr K believes that Acorn had modified its website, but he has provided me with no cogent evidence to support this contention. Acorn has stated that its website hasn't changed for several years and provided evidence of this, so I'm persuaded that the website hadn't changed. So, I don't agree that Acorn modified it.

Taking all of the evidence into consideration, I think the sales journey, as well as the policy documents make it clear that there were endorsements and excesses. I haven't seen enough evidence to show that Acorn acted unfairly to charge the excess payment. So, I won't ask Acorn to do anything further here.

## **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 December 2023.

Ayisha Savage  
**Ombudsman**