

The complaint

Mr C and Mrs C have complained that they were mis-sold a home insurance policy by Post Office Management Services Limited (POMSL).

What happened

Mr C tried to claim on the buildings insurance policy he holds jointly with Mrs C when his neighbour accidentally damaged a garden wall. When the insurer advised that his claim wasn't covered because they didn't have accidental damage cover, Mr C complained that the policy had been mis-sold by POMSL.

Our investigator didn't recommend that the policy be upheld. Mr C appealed.

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.

Firstly though I'm aware I've summarised the background to this complaint. No discourtesy is intended by this. Instead, I've focused on what I find is the key issue here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I've fully reviewed the file and having done so I agree with the conclusion reached by our investigator for the following reasons:

- The Relevant regulatory rules, the 'Insurance: Conduct of Business Sourcebook' ('ICOBS') at ICOBS 6 requires firms to give customers 'appropriate information' about a policy in good time and in a way that is easy to understand. This is so the customer can make an informed decision about the arrangements proposed. 'Appropriate information' includes the information that must be set out in an Insurance Product Information Document (IPID) which gives customers an 'at a glance' summary of their cover. This includes a summary of the insurance cover, including the main risks insured. The IPID showed that there was cover for accidental damage to *'bath, toilet, basin, ceramic hob and glass, underground pipes, drains and cables'*. But it made clear that there were *'optional covers you can purchase to increase the level of protection you have. These include cover for your possessions away from home, accidental damage and home emergency'*.
- It is not in dispute that Mr C didn't select additional accidental damage cover when taking out this policy. He says he has not taken accidental damage cover over the last 25 years. His policy summary shows that accidental damage was 'not included'. Under section B: Accidental damage to your buildings the policy document says: You're only covered under this section of the policy if it says so on your Policy summary, which was sent to you when you bought this insurance. I'm satisfied that this is clear.
- Mr C says that the policy doesn't specifically exclude accidental damage caused by

third parties and this is correct. Because of this he felt that the description of accidental damage he was given at the point of sale was misleading as it didn't refer to accidental damage caused by third parties. But the policy does clearly set out what it does cover - and if not listed then it is not something covered by the policy. This is not unusual; policies of this type list the insurance events that they cover.

- I note that following the decline of his claim Mr C called POMSL to add accidental damage to building cover. This it did. Nevertheless, the cover wasn't selected when the policy was taken out, but I don't find that POMSL is responsible for the additional cover not being selected. It follows that I don't find it mis-sold the policy to Mr C and Mrs C.

My final decision

I recognise that this will come as disappointing news to Mr C and Mrs C, but I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 13 October 2023.

Lindsey Woloski
Ombudsman