Insurance is broken: here’s how we’re fighting to protect you

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[00:00:09] **Rob Lilley-Jones:** This is a big week for Witch. On this episode, we'll be explaining why we've taken the extraordinary step of submitting a super complaint to the Financial Conduct authority and what it could mean for you. Welcome to Witch Money. So hello and welcome. I'm Rob Lily Jones in Lucia Ariano this week, and as you can probably hear.

[00:00:30] **Rob Lilley-Jones:** We've left the studio this week for something special. Now, as I've already mentioned, it is a huge week. We've submitted a super complaint to the FCA about the home and travel insurance industries. Why? Well, over the past year, we've gathered evidence showing how customers are being ripped off. Now, this includes things like confusing policies to poor treatment when you make a claim.

[00:00:54] **Rob Lilley-Jones:** Now, you might remember last year we spoke to someone on the podcast called Claire. Now she had a. Terrible experience with her insurer after a house fire damaged her home, and we'll hear more from her later. But she's just one of countless people who we've spoken to in a similar situation, so that's why we're taking action.

[00:01:13] **Rob Lilley-Jones:** And to mark the occasion, we're actually heading to the head office of the Financial Conduct Authority, taking with us the stories of those for whom dealing with their insurer has become more stressful than the event they're claiming for. And we're gonna take you with us. We're just about to head off from the witch office here in London and make the journey across the city.

[00:01:32] **Rob Lilley-Jones:** But while we do, here's witch legal expert, Lisa Web. On what a super complaint actually means.

[00:01:40] **Lisa Webb:** Have you ever been misled or ripped off and thought, what's the point of complaining? I'm only one person. Well, that's a weak of it. A which we can do the complaining for everyone using something called a super complaint.

[00:01:52] **Lisa Webb:** So super complaints are basically a re powerful legal tool that we can use to highlight when an entire industry is treating its customers badly. And when we make one. Well, the law says that regulators have to listen. They have to investigate and say what action they're gonna take. Actually, only a handful of organizations even have this superpower, but we are one of them, and we've used it in the past to do loads of stuff like stop supermarkets from tricking shockers with dodgy pricing.

[00:02:18] **Lisa Webb:** We used when to make banks crack down on scams. We even used one to get rail passengers. The compensation they were owed for delayed trains. Now though we're taking on the home and travel insurance industry because, well, as anyone who's struggled to make a claim, knows it's been failing us all for too long, super complaints give us something really rare.

[00:02:38] **Lisa Webb:** It gives consumers real clout because we stand up for you when whole industries get it wrong. So with which on your side, one voice speaks for millions and that is how we win.

[00:02:53] **Lisa Webb:** This is Stratford. Please mind the between the.

[00:03:04] **Rob Lilley-Jones:** A huge thank you then to Lisa Webb there, and if you wanna watch that video in full, you can do that over on the Witch Social Channels at witch uk. Now we're just walking up to FCA head office now, and with us, we've got a collection of placards to really illustrate the stories of those that have been affected by the inaction from the home and travel insurance industry.

[00:03:27] **Rob Lilley-Jones:** So some of the placards, we've got one here. Anxiety and stress doesn't even touch what we went through. Got another one here. Stress is not a strong enough word. And then a third one, frustration and upset continues to take a toll. And these placards really just illustrate some of the really difficult stories of the people that we've heard from now, one of the people at which has been most involved in this campaign.

[00:03:49] **Rob Lilley-Jones:** Is our insurance expert, Dean Sobers. So Dean, we're here outside the Financial Conduct Authority. Now you've been looking into the failings of the home and travel insurance industry for a long time now. Can you give us a better idea of what the current situation is and why we are taking the action we are?

[00:04:05] **Dean Sobers:** Yeah, sure. So I think that when it comes to how these companies deal with claims, um, whether it's just in terms of accepting claims, um. Or choosing to accept or reject claims or in terms of how they process and handle claims, something's really broken about both of these markets. Um, so we've heard from hundreds of people, uh, since we launched our campaign, uh, just over a year ago, giving us stories about their situations.

[00:04:32] **Dean Sobers:** And these can range from things like where they might have lost like tens of thousands of pounds, um, because of a, a misunderstanding or some sort of disagreement in how. A policy, a home insurance policy, say, should be accepted or not. Or it might be that they are waiting, um, kind of six months or so while the process runs its course.

[00:04:53] **Dean Sobers:** While this person's in a, you know, in, in a, in a say, of significant hardship, maybe. Again, they're out of pocket and they're waiting for money's to come through. Or maybe they are, you know, they're ill and they're stranded overseas or something like that. You know, we hear these sorts of stories all the time and the data itself suggests that, um, these people are, are kind of the tip of the iceberg.

[00:05:12] **Dean Sobers:** So what you'll see, if you look at industry data that's collected by the FCA, you'll see that home and travel insurance, um, are the two types of insurance that are among the. Uh, among the types of insurance with lowest claims acceptance rates. So for example, with a combined home insurance policy, you have about a three in 10 chance of your claim being rejected.

[00:05:34] **Dean Sobers:** Um, which compares to, let's say a a a car insurance policy, which about a one in a hundred chance, a ma. Massive difference there then Dean. It's, yeah, it's a huge difference. And, you know, you are gonna get variation and you're gonna get, um, you're gonna get plenty of cases where, um, you know, where, where claims are legitimately.

[00:05:51] **Dean Sobers:** Rejected. Um, but what we also find is that in, in, in our research is that there's, there's widespread confusion about, um, about what's, what these policies actually do cover and don't cover. Um, which seems to point to problems about how these pro, how policies are sold and marketed. Um, because, you know, probably the majority of people kind of get by on assumptions about what's there, um, and then find out a claim.

[00:06:17] **Dean Sobers:** Whether or not their assumptions are correct and there, you know, and in a lot of cases they can be severely wrong. And then I guess what kind of underlines this is the fact that these products are dependent upon by tens of millions of people, um, and they're dependent upon so that you've got peace of mind.

[00:06:33] **Dean Sobers:** That's the promise of insurance, is that if something goes. Dramatically wrong. Um, you know, if you have an accident, if you have a burglary, if you, if you have a, you know, a house fire or a flood or something, then you don't have to worry about it. It's taken care of. You're paid to have that taken care of.

[00:06:49] **Dean Sobers:** And yeah, what we just see time and time again, we've been seeing this for years, we've been seeing this through our campaign, uh, with lots of research we've been doing, is that it's just not delivering for too many customers.

[00:07:00] **Rob Lilley-Jones:** And is it safe to say that since the pandemic things have. Got worse. Are we seeing more of an issue in the last few years than we will have done previously?

[00:07:08] **Dean Sobers:** So the, the pandemic's brought its own, it's introduced its own challenges for, um, for insurers. Um, and, and you, you know, we've kind of seen this in, in home. And travel insurance. Um, so for example, with travel insurance during the pandemic, there were lots and lots that, you know, it was a huge surge just in a number of claims, um, of people who had to cancel their holidays at last minute because they couldn't travel.

[00:07:31] **Dean Sobers:** So these things have definitely affected trends in insurance, but we, I don't think they're fundamental to what's wrong in a kind of a long term sense within insurance and. Probably, I mean, probably what's kind of worth mentioning is the SCA, you know, we, we are not the only ones kind of saying that there are problems in these markets.

[00:07:49] **Dean Sobers:** Um, the SCA, the regulator. Itself has been, has been signaling, signaling that, that these, you know, these, these problems exist. It's said that customer service and insurance is substandard. I'm quoting it there, but our problem is, is, and, and it's, and it's done this and, and it's, it's kind of done this repeatedly over a period that's, uh, that that's kind of comes before the pandemic.

[00:08:08] **Dean Sobers:** But what we are not seeing from it is any kind of real clear sense of a plan or a strategy as to what it plans to do to make these markets work better for customers. Um, and that's, that's what we're tasking it to do.

[00:08:20] **Rob Lilley-Jones:** And Dean, the real thing here that, that is worth remembering everyone, and that's what we're doing here today by illustrating the stories of some of those people we've heard from, you know, these are real people, these are people that are being impacted at.

[00:08:33] **Rob Lilley-Jones:** Some of the most stressful times of, of their lives potentially.

[00:08:37] **Dean Sobers:** So, you know, some of the people that we've heard from, um, talk about the types of intense stress that they've been under, um, when, you know, following some sort of cataclysmic event in their lives, um, which they're kind of picking up the pieces from.

[00:08:50] **Dean Sobers:** On top of that, they've been having to deal with some sort of protracted, um, dispute, um, or, you know, or, or complaint that they have with their insurer. And they kind of feel like they're doing battle with this huge company while they're trying to move on. With their lives. You know, after something like, uh, you know, a house fire or something like that.

[00:09:08] **Dean Sobers:** Dean, really

[00:09:09] **Rob Lilley-Jones:** appreciate it. Thank you.

[00:09:10] **Dean Sobers:** Thank you.

[00:09:11] **Steve Edwards:** I am Steve Edwards, head of Campaigns and External Affairs, at which

[00:09:16] **Rob Lilley-Jones:** Steve, we've just been hearing from Dean there, you know, some of the stories of the people that have been affected by. You know, the inaction from the home and travel insurance industries, obviously that's why it's so important that we are doing what we are doing.

[00:09:29] **Rob Lilley-Jones:** You know, it's a big step for which to do something like this.

[00:09:32] **Steve Edwards:** Yeah. A super complaint is a tool that enables us to complain to the regulator on behalf of many, many consumers. It's not a decision we take lightly, and it's not something we've done since 2016. So this is a really, really big. Step, and there's been lots of work we've been doing to get to this point.

[00:09:50] **Rob Lilley-Jones:** I mean, there's so much work that happens behind the scenes to make something like this happen. So can you just talk us through some of that?

[00:09:55] **Steve Edwards:** Yeah. So over the last year we have been doing a lot of research, talking to a lot of consumers. About their experiences of home and travel insurance, but also looking at many different aspects of the way insurance works, particularly around claims handling, the way consumers are treated in the process, and also looking at the, the legal contractor terms, um, with some specialist support.

[00:10:20] **Steve Edwards:** Um, from a barrister and that's painted a really concerning picture about the way consumers are treated by the insurance industry and particularly the problems they're having in home and travel insurance. And in the course of the last year, we've heard some really heartbreaking stories about the personal toll that has taken on many people.

[00:10:41] **Steve Edwards:** So this is absolutely the moment for action.

[00:10:44] **Rob Lilley-Jones:** So this is the week that we're taking action. This is the week that we're filing the super complaint. So. What happens next? Or what are we hoping happens next?

[00:10:52] **Steve Edwards:** So the, um, financial Conduct authority has 90 days to respond to the super complaint. Um, we hope to continue talking with them over the next 90 days, engaging with the detail of the evidence we've submitted and the recommendations we've made.

[00:11:11] **Steve Edwards:** Um, and during that 90 day period, we'll be talking to a range of other. Political stakeholders and uh, policy makers to really highlight the wider concerns we have as well, just to really kind of ram home the point that action is needed to tackle the problems we see.

[00:11:29] **Rob Lilley-Jones:** You mentioned some of the other people that are involved in this.

[00:11:31] **Rob Lilley-Jones:** How much support is there out there for what, which are doing?

[00:11:34] **Steve Edwards:** So first of all, there is an immense amount of public support. Um, we've collected over 175,000 signatures to a public petition on our website, calling for an end to the insurance ripoff. Um, there is still an opportunity for people to sign that, um, on our website, which.co uk there is also.

[00:11:57] **Steve Edwards:** Immense support from other charities and other representative bodies of consumers, um, who share the concerns we have about the industry.

[00:12:08] **Rob Lilley-Jones:** And presumably the, the big hope here just finally is that this makes lasting change in the industry change that will positively impact consumers.

[00:12:17] **Steve Edwards:** Totally. Right. We would hope for some kind of.

[00:12:22] **Steve Edwards:** Key actions from the financial Conduct authority, um, at the end of the 90 day period. And we will continue to talk to them with the hope that, um, we will get the change that everyone needs. Steve, thank you very much. Thank you.

[00:12:35] **Rob Lilley-Jones:** Now we should say that the FCA have investigated home and travel insurance providers before, but this super complaint should hopefully be a bit of a turning point and one that forces fundamental change in how insurers treat their customers.

[00:12:47] **Rob Lilley-Jones:** As Steve was just mentioning, now we're talking about customers like Claire. We mentioned her a little bit earlier on, and her story really does bring to life why we're taking action. Before we finish, I did think it was only right that we heard a little bit more from her and why she agrees with which that more needs to be done.

[00:13:02] **Lucia Ariano:** Well, shall we bring in Claire then? So, Claire Massey, um, last year she made a claim on her home insurance and now 19 months on is still trying to get it resolved. Welcome to the show, Claire. Thank you so much for joining us. Shall we start then, from the beginning? Can you take us back to last year? What happened at your home to make you claim on your insurance?

[00:13:25] **Claire Massey:** I was just about to have a kitchen fitted, um, and I was drying out plaster with a de humid fire and it caught fire, um, burned overnight. Um, so we were very lucky to get out of the house after that, uh, obviously contact with policy expert to start the claim, and that's time where the problems really began.

[00:13:46] **Lucia Ariano:** I'm so sorry to hear that. I just can't imagine what an awful experience that must have been. Um, well, should we talk about then what happens next? So were you moved to alternative housing?

[00:13:57] **Claire Massey:** No. Um, the information that we had from the, from quality expert was very limited. Um, there was no real guidance on what we should do.

[00:14:05] **Claire Massey:** Um, uh, it was my children and I, um, we initially stayed with my ex-partner, which wasn't ideal. Um, but it was the only place that we could, um, go to. Um, and then I found out from a friend that I would, um, be allowed to. Like a daily allowance, if you like, if, if we stay with family or friends or, um, so that was the initial kind of, um, uh, approach because I just had no concept of.

[00:14:34] **Claire Massey:** How bad the damage was. I knew it was bad, but I didn't know, I didn't know how long we, we would potentially be in, uh, you know, sofa surfing if you like. Mm-hmm. Um, uh, and there was just no information coming out, policy expert to give us any, any indication of, of what, what the process was.

[00:14:52] **Lucia Ariano:** I mean, Dean, this sounds awful to me.

[00:14:54] **Lucia Ariano:** What should the process been like here?

[00:14:57] **Dean Sobers:** Well, obviously, um, if a person is making a home insurance claim for something that's extraordinarily traumatic, like a, you know, like a house fire, then what you would expect is that the, uh, the insurer would be able to, um, uh, would be able to kind of accommodate that.

[00:15:14] **Dean Sobers:** Um, they would be able to take account of the, um, the lightly kind of traumatized and sort of emotional state of the customer. So, you know, so their communications you would hope would be very good. They'd be able to, uh, sort of convey a clear. Sort of understanding with the customer of, of, of what to expect, kind of what to do, um, and how long things are likely to take.

[00:15:33] **Dean Sobers:** And then also, uh, accessible points of contact if the customer's got any queries so that they, you know, so that they don't, they don't feel like they're kind of not, not sure what's gonna happen next or who to get in touch if something's going wrong.

[00:15:45] **Lucia Ariano:** And can, can we just, um, rewind a little bit then, and can you walk us through what happened?

[00:15:50] **Lucia Ariano:** So you had your traumatic experience with the fire now what, um, walk us through the steps from there.

[00:15:57] **Claire Massey:** So, like I said, I, um, I put in a claim that the information was limited. At this point it was. It was very up in the air. It was really traumatic. I didn't really know what, what was best to do. I was told that, um, surveyors would coro and assess the damage there.

[00:16:14] **Claire Massey:** There were two visits by, um, two different individuals where they were, uh. Uh, where they came to the house and um, and made an assessment. And one of the surveyors kind of indicated to me that, um, I could, uh, point, uh, cleaners to come into, into the home. Turns out that I shouldn't have done that, um, because I didn't have permission from the insurance company, so I'd already paid like 5,000 pounds to start the cleaning.

[00:16:41] **Claire Massey:** And I was told, well, you're not gonna get that back because you shouldn't have done that. Then Trinity claims sent in their cleaners into my home and they started to clean, and that's when things started to go really wrong because every time I went into the house, I could just tell that the cleaning that they were doing wasn't right.

[00:17:02] **Claire Massey:** Um, they were using dirty rags in buckets of cold water. I could just sense that there was something seriously wrong. So I made a complaint to Trinity and uh, they said, we disagree with, with you. The cleaning that we're doing is up to standard. And because you've pulled us outta the house and you've appointed a representative, we are not gonna pay for your accommodation anymore.

[00:17:25] **Claire Massey:** And they were doing the accommodation and for four months. My children and I were homeless.

[00:17:31] **Lucia Ariano:** To me, it doesn't sound right. It doesn't sound fair. And that is the time to bring in the Financial Ombudsman service, and I'm pleased to hear they have stepped in. So can you tell, just talk us about that experience and kind of where you're at with that.

[00:17:42] **Claire Massey:** So, yeah, so this was the first complaint of three. Uh, all three were upheld. The first one, um, I took it to the ombudsman in, um, may. It took them two months to investigate that particular case. Trinity claims and policy expert were ordered to reinstate, uh, the alternative of accommodation, um, and also to pay me some compensation, um, for the distress.

[00:18:09] **Claire Massey:** Um, and a few other bits and pieces, um, like, uh, uh, contents that they, they had to write up, um, quite a lot of my contents and, and I got some money for that. But, um, so that was the first battle. At this point though, I'd already, because we, we, we just, we had no home. So, um, by this point I'd found a red tool that was suitable for our family's need.

[00:18:32] **Claire Massey:** And it coincided with, um, policy expert re-engaging. So I put it to them, I found this rental. I'm moving in, in due. Can you cover the costs? And they went, no, it's too expensive. Um, there's other properties out there that you can go to. And I was like, there aren't, they sent a couple through and I said.

[00:18:50] **Claire Massey:** These aren't suitable. They're not, they're not suitable for, for my needs. They're, they're, there's not enough bedrooms for a start. Mm-hmm. Um, and um, they really pushed back on that. So I had to do another massive exercise of. Going on, right move, going on all the hotel websites going on, um, Airbnb to prove to the insurance company that this was the only property that was available and suitable.

[00:19:13] **Claire Massey:** Mm-hmm. And in the end, after doing all of that, they agreed, oh, and um, the ombudsman also ruled that they had to clean my house properly. Mm-hmm. So, um, so, uh, uh, a more professional setup came in and, and cleaned to a better standard. Um, but it has since been proved that it's still not clean. That's recent.

[00:19:31] **Claire Massey:** Um, it's quite complicated.

[00:19:33] **Lucia Ariano:** I'm sorry. No, don't, it really shouldn't be you apologizing for all of this. Should it? I think that we definitely have made that clear. So anyway,

[00:19:41] **Claire Massey:** the house is cleaned and then it was, it was getting to the point where we were discussing surveyors. Mm. Um, and. Uh, Trinity and policy expert said you can't use your own surveyor, which is a term in the policy that I had no idea that would impact me so severe at this point.

[00:19:58] **Claire Massey:** I couldn't understand why I couldn't use my own surveyor since it's my house. And I needed to be assured that any, any surveyor report was fit for purpose, especially with all the, uh, problems I'd had with the cleaning

[00:20:09] **Lucia Ariano:** company.

[00:20:11] **Claire Massey:** They refused. So that became another complaint to the Albertson, um, around this time.

[00:20:17] **Claire Massey:** I think, Dean, you were about to publish a story and you reached out to policy experts or comment, and it was at this point that they seemed to have re-looked at my whole claim and policy and everything and told Dean before me that they were avoiding the policy or because, um, because they, uh. Said that I'd misrepresented myself.

[00:20:42] **Claire Massey:** So I found out after Dean found out that

[00:20:45] **Dean Sobers:** this was happening. Yeah. Specifically they didn't say that they were gonna avoid the policy, but they said that they'd found they'd found this information, which could result in the policy being voided. Yeah.

[00:20:55] **Claire Massey:** And then I was investigated by their fraud team and I had to go be interviewed.

[00:21:01] **Claire Massey:** This is November now. I had to go and be interviewed in front of a panel. Um, to basically defend how I'd taken out the policy, and again, this is where I feel that there are real problems with, with insurance as a whole, because I used a comparison website to signer. Mm-hmm. I used Better Market and I answered all the questions honestly, but the answers that policy expert needed were not questions that I was asked, and then they.

[00:21:31] **Claire Massey:** Determined the outcome of some of the algorithms to mean something that wasn't actually reflective of what I'd said. They used some terms and conditions, um, to void the policy after putting me through, um, all of this investigation and they avoided the policy, uh, on the Friday before Christmas. Um, and withdrew all the accommodation funding again.

[00:21:55] **Lucia Ariano:** Mm-hmm.

[00:21:55] **Claire Massey:** So they left me in the lurch at Christmas time, so it ended up being another complaint to the ombudsman and it was ruled in my favor. Again.

[00:22:03] **Lucia Ariano:** I'm really hoping there's some light at the end of the tunnel. I mean, you, you look Kathy right now, you're sitting in a, a lovely office. Um, tell us where are you at?

[00:22:11] **Lucia Ariano:** So

[00:22:12] **Claire Massey:** since um, all of this has happened, obviously I've been looking on Trustpilot at all the reviews. Mm-hmm. And, you know, the, the shiny falls, four or five stars, uh, signups and. Um, price. Mm. Um, but when you look at the one star reviews of these insurance companies, that's where the real problems are. And this is where I started to realize that it's not just me that's going through this problem.

[00:22:34] **Claire Massey:** There are many, many other people out there that are dealing with really horrific traumatic events and having the same problems as I am. Um, so I decided to create a Facebook group called Claim Guardians. Which is open to anybody to join. Um, and we have a growing community now of people that are joining who are experiencing the same problems as I am.

[00:22:57] **Claire Massey:** And what, what claim Guardians is there for is, it's a place, a safe place to allow people to come into the brief and get some advice and support from people that are going through the same things as, as what? As what we are. Um, and also to tell them about. The, um, the rights to information that they have that they may not know about.

[00:23:18] **Claire Massey:** And I also signed posts and to witch as well because your service is excellent. So, um, and I know that many of our members have joined up to witch as well, so that's great for me. Something's got to change in this industry. I mean, I've worked in regulation for a long time in the gambling industry, and I've seen the journey that gambling has gone on.

[00:23:36] **Claire Massey:** And, um, I can see that this a similar journey needs to happen with insurance. And this is something that, um, I'm very passionate about. Um, I'm getting a lot of information, um, and I'm trying to, um, influence mps, the SCA, the A BI, um, to listen to consumers because we are. We may be a small group at the moment, but we are a growing group.

[00:24:03] **Lucia Ariano:** Well, I can't thank you enough for joining us today and, you know, being so honest and sharing your story, best of luck, but I'm sure you'll be speaking with da, uh, continuing to speak with Dean. So, um, I have to check in and see how you get on, but best of luck with everything.

[00:24:16] **Claire Massey:** Thank you so much. Thank you.

[00:24:20] **James Rowe:** We asked policy expert, an Trinity claims for a comment on Claire's case. A spokesperson told us policy expert accepts the financial Ombudsman's decision. We have reinstated Ms. Massey's policy and proceeded with the handling of her claim in accordance with the Ombudsman's recommendations and in line with our claims process.

[00:24:40] **James Rowe:** We are committed to providing the highest level of service to all our customers and look forward to working with Ms. Massey to bring this matter to a close. A spokesperson for Compare the market told us we take care to ensure our wording helps customers complies with relevant regulation and gathers the necessary information for providers to supply quotes.

[00:25:01] **James Rowe:** This case is an isolated instance and not representative of an issue we have seen flagged by customers or providers on any other occasion. We regularly review our question set and take into account any new or emerging considerations where necessary. Well, huge

[00:25:17] **Rob Lilley-Jones:** thank you to Claire there for joining us on the podcast, and thank you to Dean Sobers and Steve Edwards from which for joining us a little bit earlier on as well.

[00:25:24] **Rob Lilley-Jones:** And don't forget that if you want to hear Claire's story in full, then you can do that. You can listen back to the episode that she joined us for by scrolling back in this podcast feed, and it's the podcast that we released on the 20th of September last year. But this is where you come in. You can find out more about our super complaint by heading to witch.co uk forward slash insurance super complaint.

[00:25:44] **Rob Lilley-Jones:** Or you can click the link in the description for today's podcast. And we'd love to hear your stories as well if you've been impacted by the inaction of your home or travel insurance provider. Again, there is a link in the description for this podcast. If you wanna click on that and show your stories with us, you can do that on social media as well, at which UK and on social as well.

[00:26:01] **Rob Lilley-Jones:** You can see what happened here when we paid a visit to the FCA. And don't forget when you see the video, give it a like Anna share so that more people can see it. We'll be back very soon with another episode and we'll see them. Bye-bye.