

Response to Which?'s super-complaint on addressing poor consumer outcomes in home and travel insurance

December 2025

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Chapter 1

Summary

Background

- 1.1** On 23 September 2025, the consumer body Which? sent us a super-complaint about the outcomes consumers receive when making home and travel insurance claims. It said these markets are failing consumers and called on us to do more to protect them. We set out our response here, including the actions we are taking.

Summary

- 1.2** Home and travel insurance provide people with peace of mind that they'll have financial protection and support when the unexpected happens. But the true value of insurance cover is only realised when consumers make a claim. Consumers should understand what their insurance covers and be confident their insurer will treat them fairly. Our research shows that, in 2024, most consumers who made a home or travel claim were satisfied with the result.
- 1.3** However, our data, including complaints numbers and claim acceptance rates, shows firms must do more to meet the standards we set in our Consumer Duty (the Duty). Compared to other insurance products, home and travel have persistently lower claims acceptance rates, partly reflecting lower levels of consumer understanding. Data linked to claims satisfaction, such as complaints numbers and data from the Financial Ombudsman Service, indicated worsening performance in the period up to 2024.
- 1.4** This is why we launched our review of home and travel insurance claims handling in 2024, where we found issues including examples of poor oversight of outsourced claims handlers and insufficient monitoring of management information which also could be inadequate.
- 1.5** We have a strong track record on acting where we see harm in the insurance market – on claims and wider issues. Since 2024, we have:
- Secured £70m in savings for consumers following our work on Guaranteed Asset Protection insurance.
 - Supported the work of the government motor insurance taskforce with a series of recommendations.
 - Begun 2 market studies. We are investigating whether the market for pure protection insurance products – which support families if someone becomes critically ill or dies – is working for consumers, and looking at whether people who borrow to pay for motor and home insurance are receiving fair, competitive deals.
 - Evaluated our pricing reforms, which found they were effective in curbing price-walking, so loyal customers aren't penalised.

- Obtained over £350,000 in compensation for 2,500 customers after stepping in with one insurer over unclear endorsements on home insurance policies.
- Secured £200m in compensation for 270,000 customers who had received too little after their car was stolen or written off and driven improvements in how insurers deal with these claims.

1.6 Having taken the action above in the areas where we have seen significant harm, we turned our attention to issues in home and travel insurance – publishing a detailed report and roadmap for further work in July.

1.7 Since we published our review of home and travel insurance claims handling, we've used a range of our tools to make sure firms give consumers the right outcomes. Since July we have:


- Opened two enforcement investigations.
- Commissioned independent reviews of three firms' claims handling systems and controls (through section 166 reports by skilled persons).
- Required three firms' senior managers to attest to strengthen their systems and controls.
- Asked 13 out of 15 home insurers in our sample to review how they've handled storm and/or cash settlements.
- Following our home and travel findings invited one firm to sign a voluntary requirement which places restrictions on their business until they've made improvements. This is now in place.
- Provided feedback on sales journeys to the four largest price comparison websites.


1.8 We recognise that some of the issues in the market are complex and require industry and consumer groups to play a role. Following Which?'s super-complaint, we are expanding the significant work we had planned to improve standards in the home and travel insurance markets. Over the next year, we are expanding our insurance work to:


- improve claims handling and service quality by reviewing firms' customer service and delivery and how they oversee third parties that handle claims.
- improve consumer understanding by analysing how firms' different sales processes affect the outcomes people are getting.

1.9 Alongside these new and expanded actions in response to the concerns raised in the super-complaint, we are also continuing to progress ongoing work in these markets, as outlined below. We will measure the impact of our actions. If we don't see improvements in claims outcomes, we will hold the industry to account.

The actions we're taking

Which?'s area of concern	Work completed since July	Ongoing and planned actions	When	How we will know we are succeeding
Claims Handling 	<p>Opened two enforcement investigations.</p> <p>Commissioned independent reviews of three firms' claims handling systems and controls (through s166 reports by skilled persons).</p> <p>Required three firms' senior managers to attest to strengthen their systems and controls.</p> <p>Asked 13 out of 15 home insurers in our sample, to review how they've handled storm and/or cash settlements.</p>	(Ongoing) Progress the investigation and remediation with firms following our home and travel claims review.	Ongoing	<p>Fewer complaints relating to claims.</p> <p>Improvement in claims satisfaction metrics through our Financial Lives survey and other surveys.</p> <p>Firms will be able to show the steps they have taken to address the findings of our review into home and travel claims.</p>
		(Ongoing) Monitor outcomes of interventions and consider whether there is a need for any further market-wide action.	Ongoing	
		(Expanded) Amending the scope of our planned outsourcing oversight work to include different delegated authority models and remuneration arrangements. We will also carry out an analysis of claims service quality which will now focus on home and travel insurance.	Starting Q2/Q3 2026	
		(New) Consider how we capture claims outcomes as part of our post-implementation review of our value measures rules.	Reporting H2 2026	
		(Ongoing) Supporting the ABI's commitment to work with its members to understand our expectations on storm claims, cash settlements, and effective governance, oversight and management information.	Ongoing	

Which?'s area of concern	Work completed since July	Ongoing and New Actions	When	How we will know we are succeeding
Sales Processes 	Provided feedback on sales journeys to the four largest price comparison websites.	(New) Analysing how different sales processes affect consumer outcomes. This will help us understand whether market dynamics are leading to consumer harm.	Starting Q1 2026	Improvement in understanding shown through our Financial Lives survey. Higher claims acceptance rates in home and travel insurance. Examples of firm innovation leading to improved outcomes.
		(New) Reviewing how home and travel insurance firms are acting to improve consumers' understanding of their insurance cover and share best practice with the industry.	Starting Q2 2026	
		(New) Working with the industry and consumer groups to find new ways to improve consumer understanding of their insurance cover.	Starting Q1 2026	

Which?'s area of concern	Work completed since July	Ongoing and New Actions	When	How we will know we are succeeding
Application of rules and law 	Continuing to uphold regulatory and legal standards with appropriate tools.	(New) Where we have found potential concerns around specific policy terms raised by Which?, we will follow-up with firms to ensure that they comply with our rules and consumer protection legislation.	Q1 2026	The Digital Markets, Competition and Consumers Act 2024 will be reflected in our Handbook.
		(Ongoing) Begin publicly consulting on reflecting the Digital Markets, Competition and Consumers Act 2024 in our Handbook.	Q1 2026	

Chapter 2

Which?'s concerns and our analysis of outcomes in the home and travel insurance markets

What is a super-complaint?

- 2.1** A super-complaint is a way for consumer bodies to raise market issues that could significantly damage the interests of consumers. This could be, for example, the market structure or the conduct of firms operating within it. The power comes from Section 234C of the Financial Services and Markets Act 2000 (FSMA) and applies to consumer bodies designated by the Government.

Which?'s concerns

- 2.2** Which? is concerned that the home and travel insurance markets are failing consumers. It says firms routinely treat consumers poorly when they make a claim and reject claims too often. It considers that three features of these markets are significantly damaging consumers' interests:
- poor claims handling
 - inappropriate sales processes
 - a lack of application and enforcement of FCA rules and other relevant law
- 2.3** Which? says we have not met our statutory consumer protection objective to secure an appropriate degree of protection for consumers in these markets.

Our analysis of consumer outcomes in the home and travel insurance markets

- 2.4** Home insurance is the third most common retail insurance product in the UK. There are around 22m policies in force, with consumers paying more than £7bn in premiums in 2024. Our [Financial Lives survey](#) found that, in 2024, 63% of UK adults held some type of home insurance policy. In 2024 consumers made almost 900,000 claims, with insurers paying out a total of £3.2bn.
- 2.5** Travel insurance is the eighth most common product. There were over 6.8m policies in force in 2024, with consumers spending more than £1.2bn. In 2024 there were almost 600,000 claims, with insurers paying out more £400m.

2.6 We use several sources of information to monitor claims outcomes. One of the ways we track outcomes is through our general insurance value measures data, which we publish annually. This data gives common indicators of value across a range of products, and is available to everyone – including firms, market commentators and consumer groups like Which?. Value doesn't depend on a single metric, so we consider each metric, such as claims acceptance rate, alongside other metrics.

2.7 In addition to value measures data, other metrics give insight into claims experiences. We track firms' and the Financial Ombudsman Service's data on complaints which give an indication of the issues customers face, and how well firms are tackling them. We also use data from our Financial Lives survey, which gives additional insight into consumer understanding, satisfaction and trust. These areas are explored further below.

Claims acceptance

2.8 Claims acceptance rates for home and travel insurance are persistently lower than many other insurance products. It was partly because of this, alongside other indicators of potentially poor outcomes, that we reviewed home and travel insurance claims earlier in 2025.

Table 1

Product	Claims acceptance rate (%)		
	2022	2023	2024
Motor (All)	99%	99%	99%
Vehicle breakdown (Stand-alone)	96%	95%	95%
Pet – covered for life (All)	95%	95%	95%
Travel – annual European (All)	78%	82%	86%
Travel – annual worldwide (All)	77%	79%	85%
Travel – single trip (Stand-alone)	76%	80%	80%
Home – contents only (All)	76%	77%	74%
Home – (buildings and contents combined) (All)	76%	72%	71%
Home – buildings only (All)	68%	63%	63%

Source: FCA Value Measures Data

2.9 The lower rates for home and travel insurance may indicate worse claim outcomes, but also lower levels of consumer understanding. This may partly be due to the complexity of these policies compared to other products like motor insurance. For example, home insurance covers a range of specific risks such as flood, storm damage, fire, and theft, but not problems resulting from wear and tear or insufficient maintenance. We explore this complexity in Chapter 4.

- 2.10** We think it's important for our data to capture all the events that consumers believe they may be covered for. We include data on any customer raising a loss with their insurer, even if their policy doesn't cover it. We treat these as declined claims. We're considering how we understand the difference between declined claims and enquiries as part of our post-implementation review of our value measures rules. Because data about rejected claims doesn't give a full picture of claim outcomes, it's important to look at other measures as well.

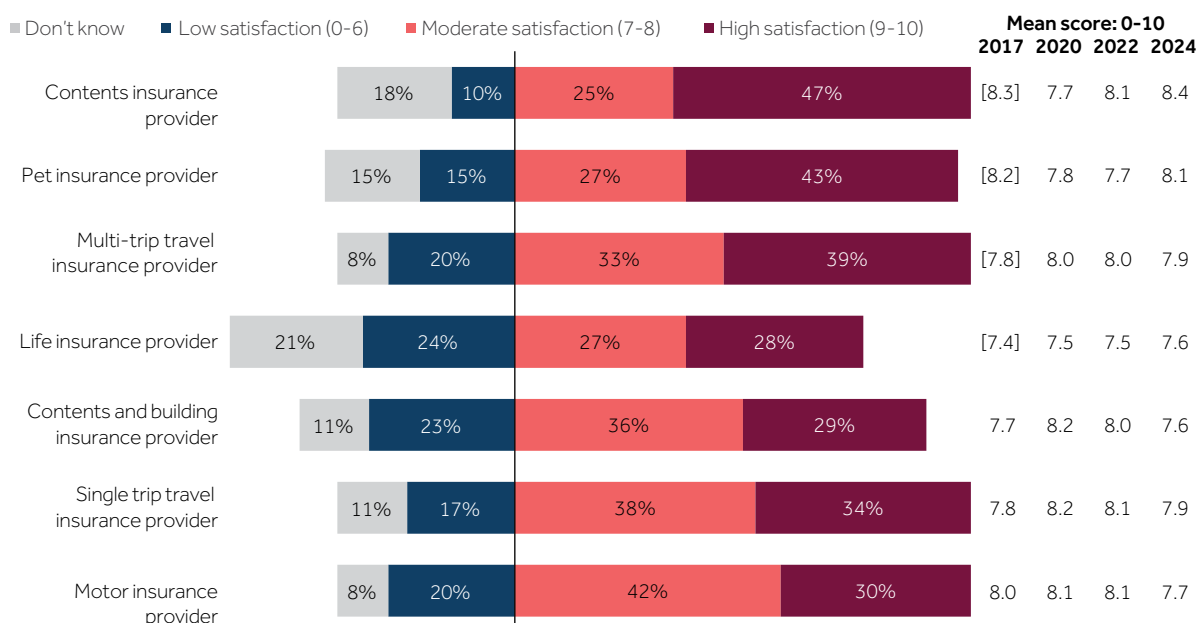
Claims experience

- 2.11** Our Financial Lives survey is a nationally representative survey of all UK adults. It provides information about:

- consumers' attitudes towards managing their money
- the financial products they have
- their experiences of engaging with financial services firms

- 2.12** Data from the survey shows that the mean level of customer satisfaction has been 'moderate' across a range of insurance products between 2017 and 2024. Home and travel insurance providers don't appear to score materially or consistently lower than providers of other insurance products. In 2024, travel insurance providers had a mean score of 7.9 and contents and building insurance providers had a mean score of 7.6. This is compared to 8.1 for day-to-day bank account providers, 7.9 for mortgage lenders and 7.4 for credit card providers.

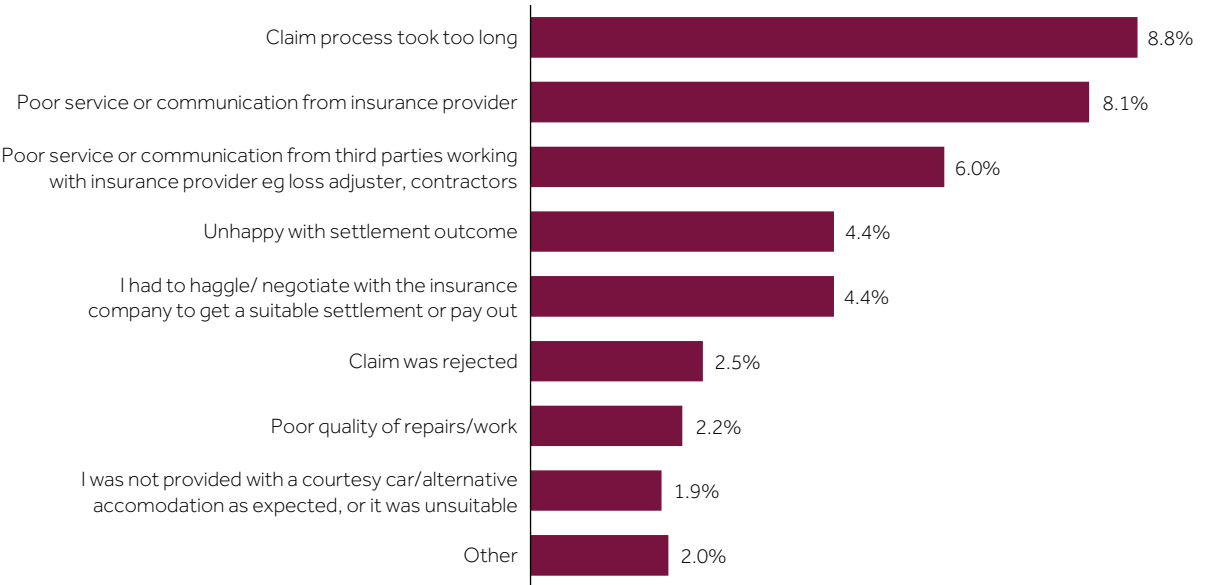
Figure 1: Level of satisfaction adults have with their own provider, by type of insurance (2024, with mean scores for 2017/2020/2022/2024)



Source: Financial Lives 2024 survey published reports

- 2.13
- Compared to other insurance products, lower proportions of home and travel insurance customers who had recently made a claim said it was completely successful. This is consistent with the claims acceptance rates in our value measures data. Two in five (40%) of combined building and contents claimants and 35% of multi-trip travel insurance claimants experienced a problem when making their most recent claim. By comparison, 36% of motor insurance claimants experienced a problem after making their most recent claim.
- 2.14
- Of all UK adults who claimed on a general insurance policy in the two years to 2024, the three most common problems experienced when making their most recent claim were:
- the claim taking longer than expected (8.8%)
 - poor service or communication from the insurer (8.1%)
 - poor service or communication from an outsourced service provider (6.0%)
- 2.15
- Rejected claims were the sixth most common issue (2.5%).

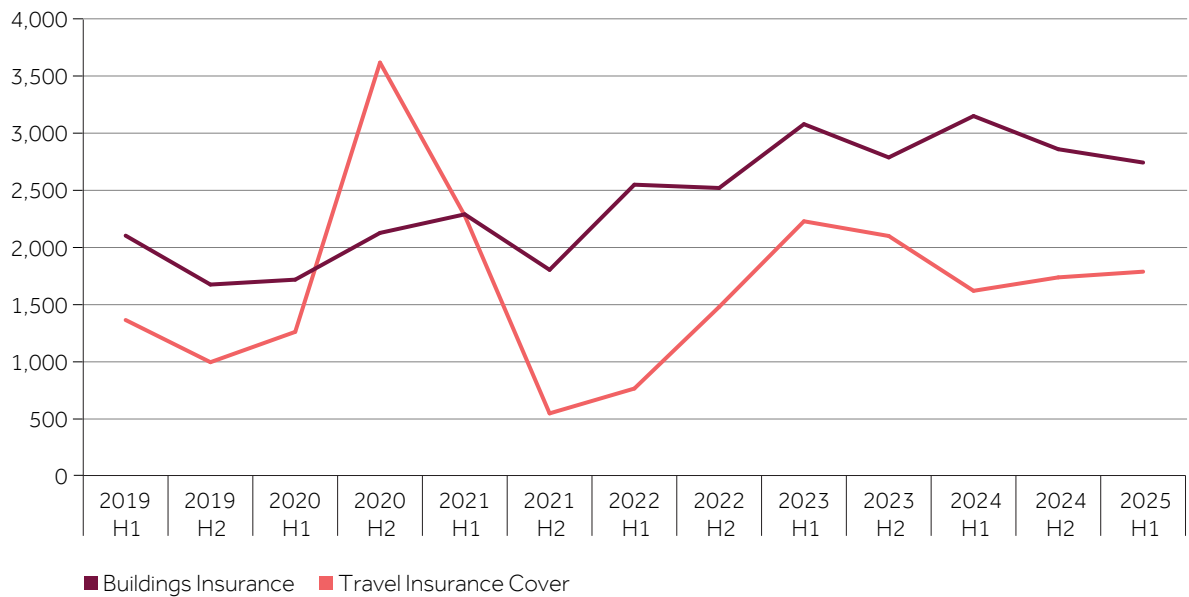
Figure 2: Type of issues experienced when making their most recent claim in the last 2 years (2024)



Source: [Financial Lives 2024 survey published reports](#)

- 2.16
- Firms give us data on the number of complaints they receive, which can give us insights into claims experiences. In both home and travel insurance, claims-related complaints rose steadily between 2021 and 2023 following the trend for all complaint categories. This was followed by a slowing of home insurance complaint volumes and a fall in travel complaints.
- 2.17
- We carried out our own analysis of data provided by the Financial Ombudsman Service. This analysis was conducted by the FCA in response to the super-complaint, so its presentation differs from that published directly by the Financial Ombudsman Service. This shows the same trend as the data firms reported to us: a steady rise in complaints about both travel and home insurance claims between 2021 and 2023, followed by a slight reversal. Travel insurance claims peaked as a result of the Covid-19 pandemic.

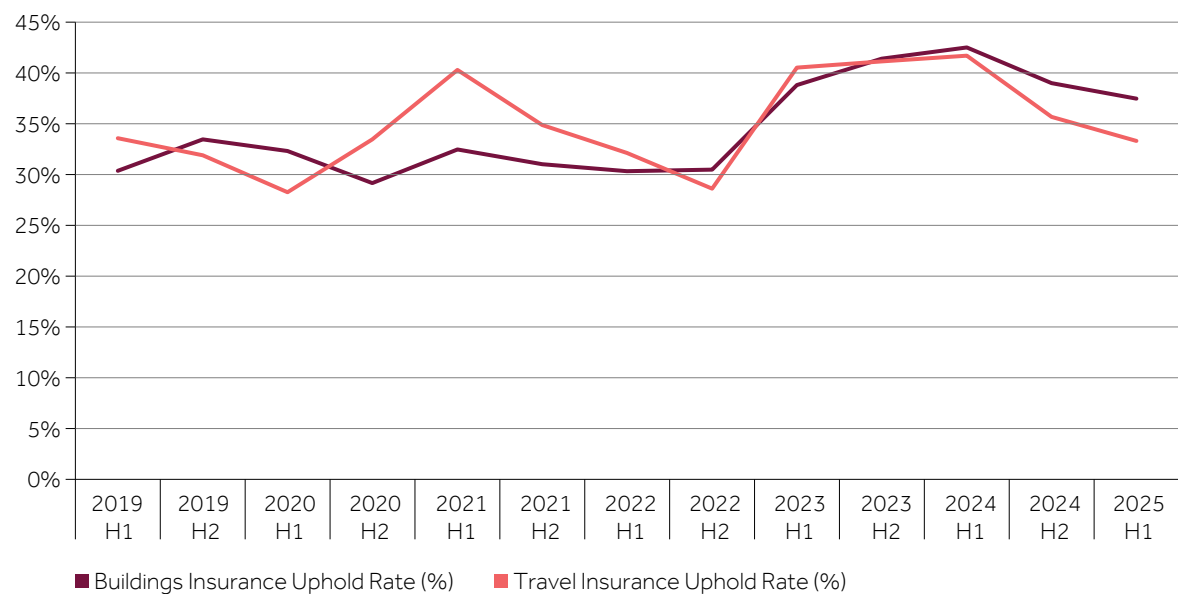
Figure 3: Total number of claims related complaints open at the Financial Ombudsman Service



Source: FCA Analysis of Financial Ombudsman Service Data

2.18 We also looked at the proportion of complaints upheld by the Financial Ombudsman Service. The proportion peaked in around 2023 but then fell. (Our analysis includes all closed cases, whereas the Financial Ombudsman Service only includes cases closed as upheld or rejected in their uphold rates, so our figures differ slightly, but this doesn't change our overall conclusions.)

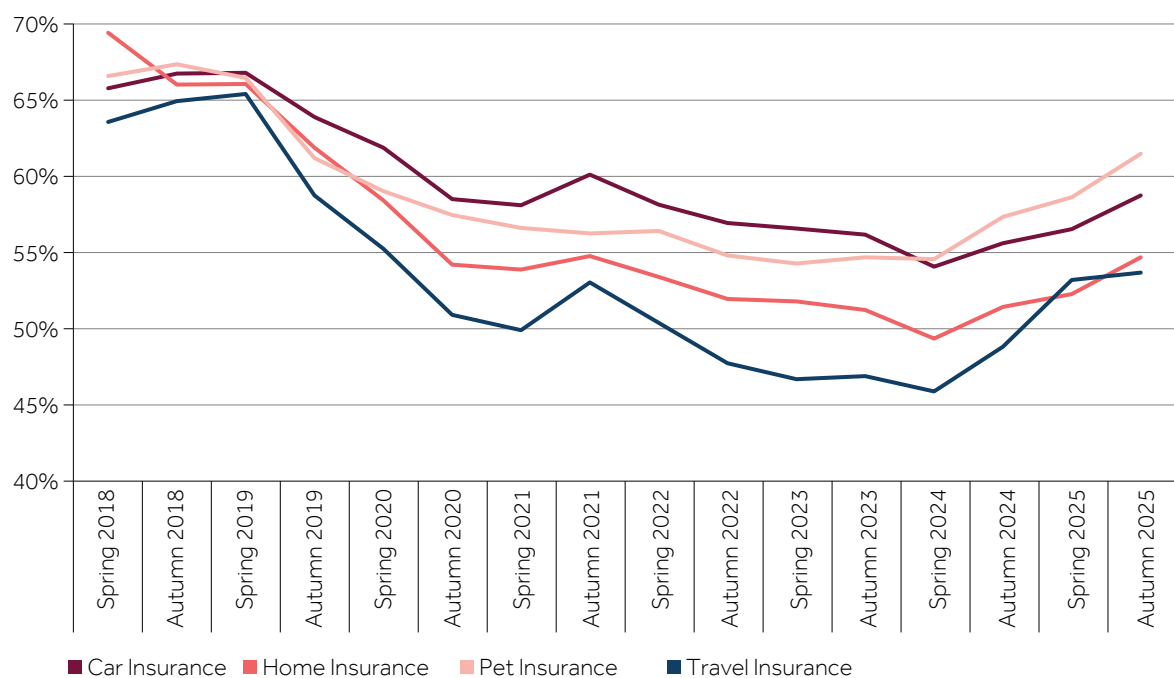
Figure 4: Proportion of complaints upheld by the Financial Ombudsman Service



Source: FCA Analysis of Financial Ombudsman Service Data

- 2.19** In our market monitoring we consider data from third parties, such as the research and ratings agency Fairer Finance. Which? used Fairer Finance's research as part of its super-complaint. It found claims satisfaction scores falling continuously across all insurance sectors, from a peak in late 2017 to a low in Spring 2024. Since then there appears to be some gradual improvement, but the scores are still below the levels before 2020.

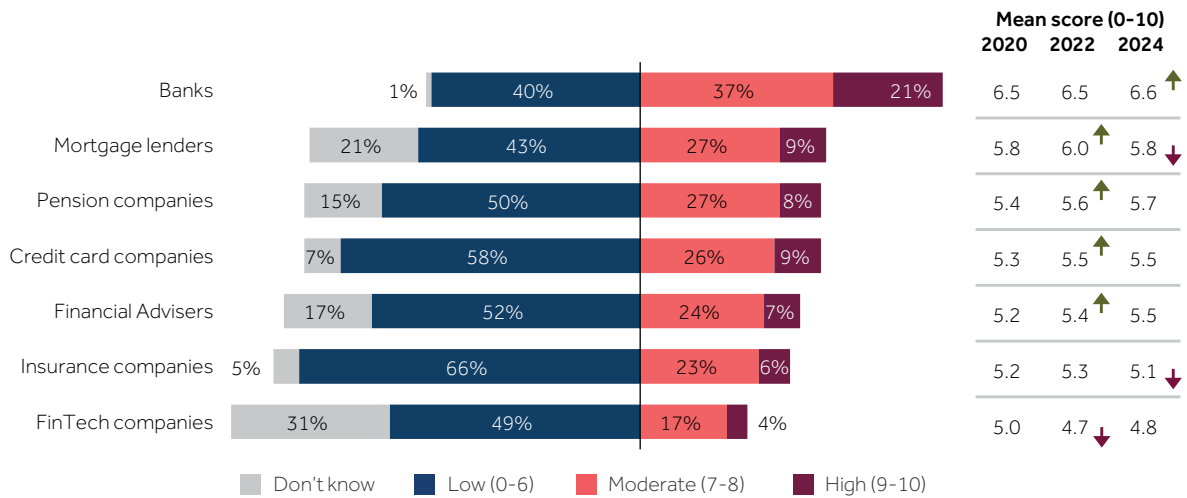
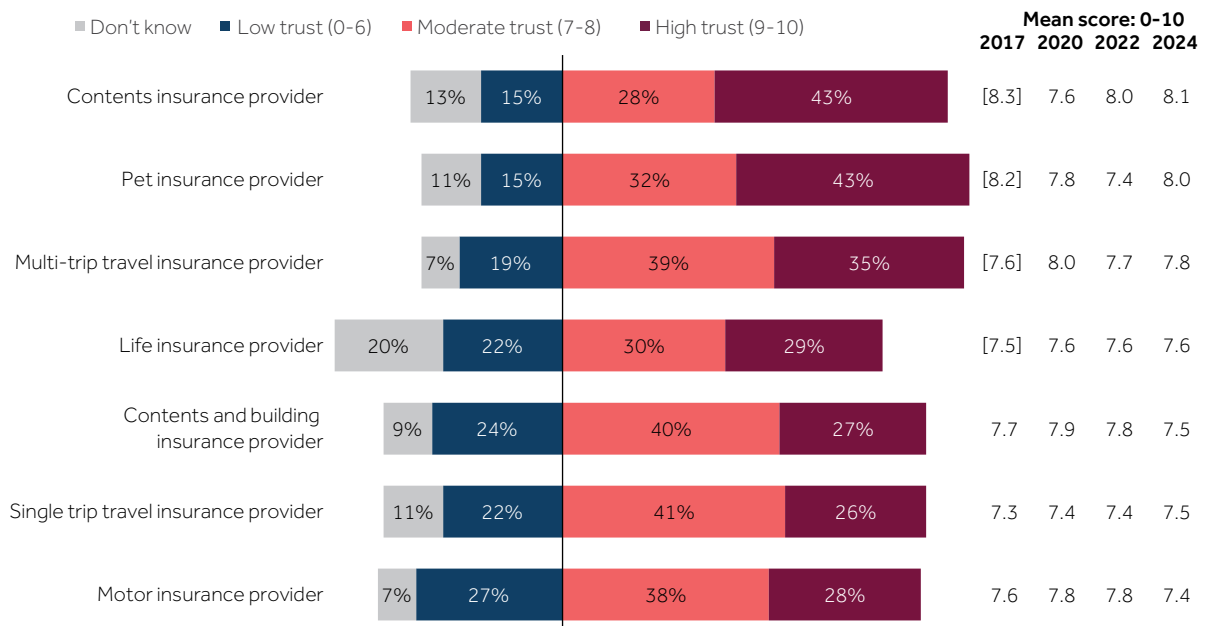
Figure 5: Fairer Finance Claims Satisfaction Score by Product



Source: Fairer Finance 2025 Data

Consumer trust

- 2.20** Trust in the insurance market is essential. If consumers don't trust that an insurance policy will pay out when they need it, they will be less likely to buy a policy or contact their insurer to make a claim, leaving them exposed in the event of a loss.
- 2.21** Firms are responsible for building and maintaining the trust of their customers, but consumer groups, trade bodies and regulators also all have a role to play to ensure consumers have trust in insurance.
- 2.22** Our Financial Lives survey shows that UK adults' trust in the insurance sector as a whole was the lowest out of all retail financial services. However, home and travel insurance customers don't appear to have substantially lower levels of trust or satisfaction than customers of other insurance products. They also had higher levels of trust when asked about the trust they had in their own providers.

Figure 6: Levels of trust in different financial sectors (2020/2022/2024)Source: [Financial Lives Survey Data](#)**Figure 7: Level of trust adults have in their own provider, by type of insurance (2024, with mean scores for 2017/2020/2022/2024)**Source: [Financial Lives 2024 survey published reports](#)

Chapter 3

Claims handling

- 3.1** Which?'s super-complaint raises several concerns about home and travel insurance claims handling. Which? notes that in our 2025 claims-handling report we identified 'many areas where improvements need to be made' but where, in Which?'s view, we've failed to take appropriate action.
- 3.2** Which? also said that we've missed or overlooked many important issues altogether. These include low claims acceptance rates, repetitive information requests by claims handlers to consumers, and systemic issues identified by the Financial Ombudsman Service not being addressed by firms, for example where claims might be delayed.
- 3.3** Which? supports these concerns with evidence from consumer research involving 24 interviews, an online survey of 3,322 claimants, analysis of Financial Ombudsman Service decisions, and analysis of firm practices. It says this evidence suggests the scale of the issues is bigger than we had found in our report.
- 3.4** We had found that while there were instances of good practice, there was work to do to improve outcomes for consumers and make sure firms meet our rules.
- 3.5** We don't agree that we haven't taken sufficient action to address the harms we identified. We've acted quickly and proportionately to address issues with a range of tools. We also have a planned programme of work to continue to address concerns in the market but we are expanding parts of this programme in response to the super-complaint.
- 3.6** In this chapter we set out:
- The specific interventions and action taken following our 2025 home and travel claims handling review.
 - The wider work on claims we have undertaken in the insurance sector.
 - The future work we have planned relating to claims handling.

Our rules around consumer support

- 3.7** The Consumer Duty requires firms to provide support that meets their consumers' needs, so they can use their products as reasonably anticipated and pursue their financial objectives.

- 3.8** This means support must be accessible, timely and flexible for all customers, including those with characteristics of vulnerability. Firms' support should be as good post-sale as it is pre-sale, and they should not present their customers with unreasonable barriers to getting help, making claims, switching, or cancelling products.
- 3.9** The Duty requires firms to focus on the outcomes they deliver through customer support. Firms must interpret these requirements in the context of their own businesses, deliver good customer outcomes and provide an appropriate level of support, making changes where they identify harm.
- 3.10** Consumers are often vulnerable or distressed when they make an insurance claim. There is a clear risk of harm if a firm handles these interactions poorly. The Duty puts the onus on firms to be proactive and avoid causing foreseeable harm to customers. Firms must consider the risks of harm and develop strategies to mitigate them where possible. They should respond sensitively and supportively where customers are distressed or need support. Given the sensitivity of these interactions, firms should pay close attention to the outcomes for their customers.
- 3.11** We expect firms to take full responsibility for delivering good consumer outcomes. This means they must:
- act in good faith
 - communicate clearly
 - make sure their products and services meet consumer needs and offer fair value
 - provide effective support, especially for customers in vulnerable circumstances
- 3.12** Where we find harm, firms must act quickly to stop it and provide appropriate redress where necessary.

Our approach to regulatory interventions

- 3.13** Our approach to supervision is based on actively monitoring the market to identify areas of potential consumer harm including where our rules might not be having the intended effect, carrying out reviews on identified issues, and taking action with firms when we need to intervene. We use a wide range of information to monitor the market, such as data from firms, consumer feedback and other market intelligence. This helps us spot issues early and step in quickly if there are problems or if firms are treating customers unfairly.
- 3.14** Our approach prioritises achieving good outcomes for consumers and markets, using the right tool for each situation to act swiftly and proportionately.
- 3.15** Enforcement action is typically reserved for the most serious cases, where other interventions have not resolved the problem, or where there is clear evidence of rule breaches or consumer harm. It involves investigating potential misconduct and, where appropriate, taking legal or disciplinary action against firms or individuals, including by imposing penalties, restrictions, or a public censure.

- 3.16** We have a broad range of statutory and non-statutory tools to address issues, and enforcement is not always the most appropriate response. Statutory tools include the use of powers provided for in legislation, such as using our information-gathering powers, working with firms to add requirements on permissions, or obtaining section 166 skilled person reviews. Between 1 April 2024 and 30 September 2025, 12 s166 skilled person reviews relating to insurance firms were carried out. Non-statutory tools include requesting action from a firm's senior management (including agreeing risk management plans and obtaining attestations) or conducting on-site visits.

Interventions after our 2025 home and travel claims handling review

- 3.17** Following our 2025 review, we have used a range of regulatory tools available to us.
- 3.18** We can't always share details about the action we're taking, particularly about individual firms. Section 348 of the FSMA stops us from making confidential information public unless certain criteria apply. However, we acknowledge the need to provide transparency to demonstrate the actions we're taking to address harm and protect consumers.
- 3.19** The sample in our home and travel claims review included 23 insurers covering 63% of home insurance and 70% of travel insurance gross written premium in these markets reported to us for 2024. In line with our usual approach, we engaged directly with firms included to set out any actions they need to take as a result of our findings.
- 3.20** Across the home and travel insurers included in our review, since July, we have:
- Opened 2 enforcement investigations.
 - Commissioned independent reviews of firms' claims handling systems and controls (through s166 reports by skilled persons) for 3 firms. These are ongoing and we expect the work to be concluded during 2026.
 - Required 3 firms' senior managers to strengthen their systems and controls, taking individual accountability through our attestation tool. This work is ongoing, and we expect that firms will complete the work and report back to us in early 2026 setting out what they have done.
 - Invited 1 firm to sign a voluntary requirement which places restrictions on their business until they've made improvements. This is now in place.
- 3.21** We're asking 13 out of 15 home insurers in our sample, representing over half of the home insurance market, to review how they've handled storm and/or cash settlements to determine whether they've caused any harm to customers. In 4 cases we have asked for this work to be done as part of our use of our regulatory tools, but we are also using our attestation tool for 9 firms where our review found that home insurers either rejected higher-than-average storm claims or did not have sufficient controls over the management and monitoring of cash settlements. If harm is identified, we'll require them to put things right and give us details of the actions they've taken.

- 3.22** We have asked firms to complete the work on storm claims and/or cash settlements and report back to us in early 2026. The information we gather will help us decide if we need to take further action, including any further market-wide action if necessary.
- 3.23** For the 7 home and travel insurers, where our review didn't raise material concerns, we've given firms feedback. Based on our assessment, we have either:
- asked them to tell us about any steps they have taken in response to our feedback (3 firms), or
 - advised them that we may request this detail in the future, but we don't intend to take further action at this stage (4 firms)

**Action:**

We will continue to address the concerns we identified with firms in our 2025 claims review.

Wider FCA work on insurance claims

- 3.24** We agree with Which? that there are areas where firms need to improve to consistently deliver good customer outcomes. We don't agree with Which?'s assessment that we've missed or overlooked issues altogether.
- 3.25** Paragraphs 3.26 to 3.33 outline how we gather and use intelligence. We've also shown examples of actions we've taken and planned to address market issues, including the issues Which? has raised.

Case work

- 3.26** Our approach to case work, including whistleblowing investigations, is a key part of our commitment to address and prevent harm. Even when we don't take direct enforcement action, the reports we receive enhance our understanding of the sector, enable us to identify emerging risks, and shape our supervisory strategy to protect consumers.
- 3.27** Between January 2022 and September 2025, we recorded and assessed over 21,000 cases relating to firms in our retail and commercial insurance portfolio. This intelligence includes reports from consumers, firms, other sources and 554 reports from whistleblowers.
- 3.28** In just over a quarter of instances, we took direct action, using a range of statutory and non-statutory tools.

Case study

We opened a case to investigate a consumer complaint about an appointed representative (AR) acting as a claims consultant and loss assessor. We used our statutory powers to gather information. We found that the principal firm had failed to meet its regulatory obligations by not adequately overseeing and monitoring its AR's activities.

We were able to achieve the appropriate outcome without the need to open a formal enforcement investigation. Instead, through proactive supervision and engagement, the firm agreed to restrict its permissions, requiring it to terminate its relationship with the AR and prohibiting it from appointing any new ARs.

- 3.29** When we choose not to take direct action, it doesn't mean we've overlooked the issue. It may be that we have been unable to substantiate the concerns, firms may have already responded or proposed solutions, or another body may be better suited to address it (such as the Financial Ombudsman Service), for example where the issue relates to an individual consumer. Sometimes, the concern is part of a broader problem that we may tackle at the market level, through multi-firm projects, thematic work (pieces of work where we examine specific topics or potential issues across several firms) or market studies.

Case study

We were contacted by an MP on behalf of a consumer with characteristics of vulnerability whose storm claim had been significantly delayed, causing distress and escalating harm.

The Financial Ombudsman Service is the usual route for individual complaints. However, we may intervene directly in exceptional circumstances where there is evidence of urgent, escalating harm to a vulnerable consumer and indications of wider failings in a firm's processes. Given the urgency and the potential for broader failings in the firm's treatment of vulnerable customers, we intervened directly and requested that the firm immediately review the claim.

The firm appointed a dedicated claims manager, progressed the claim without further delay, arranged repairs, and provided appropriate compensation.

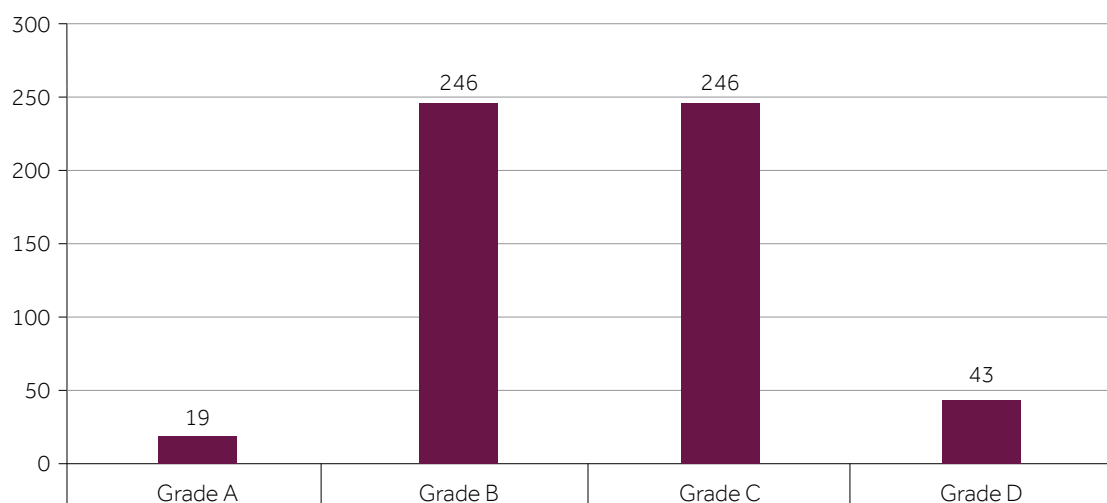
We wrote to the firm setting out our expectations on claims handling and the treatment of vulnerable customers.

Following our intervention, the firm improved its processes, including more proactive oversight and enhanced identification of vulnerability throughout the claims journey. These changes are designed to ensure vulnerable customers receive timely and appropriate support.

- 3.30** We also act where we receive intelligence from whistleblowers. A whistleblower is an individual who reports concerns about suspected wrongdoing, risk, or misconduct within a firm or the wider financial sector.

- 3.31** As of December 2025, we are progressing more than 100 whistleblowing cases concerning insurance firms. While the confidential nature of whistleblowing disclosures prevents us sharing specific details, we treat all intelligence seriously and use it in our market oversight.
- 3.32** We take direct action in response to nearly half the whistleblowing reports we receive, while the remainder inform our broader supervisory activities.

Figure 8: Whistleblowing reports related to insurance closed since 1 January 2022



- 3.33** Of these cases:
- In **43 cases** (8%) we categorised the reports as 'Grade D' meaning that they didn't sufficiently indicate harm, but we recorded the intelligence for future reference.
 - **246 cases** (44%) we categorised as 'Grade C' meaning the reports informed our supervisory work, including harm prevention, but did not result in direct action.
 - In **246 cases** (44%) we categorised the reports as 'Grade B' meaning we took action to reduce harm. This included contacting the firm, requesting information, or requiring the firm to attest to take steps to ensure compliance with our rules.
 - In **19 cases** (3%) we categorised the reports as 'Grade A' meaning we took significant action to manage harm. This may have involved enforcement activity, section 166 skilled person reviews, or working with firms to restrict their permissions or an individual's approval.

Outlier interventions

- 3.34** We also review data as part of our ongoing market monitoring. Where we identify outliers, we carry out further analysis to determine whether we need to intervene. In our outlier intervention work on insurance claims, we assess multiple data sources to identify firms whose performance suggests potential harm to consumers such as those we discuss in Chapter 2. We compare firms' claims-related value measures data with its own complaints data and complaints data from the Financial Ombudsman Service. This helps us pinpoint firms where the data suggests there may be poor claims outcomes, allowing us to take action to understand and address harms.

Case study

We identified an insurance firm as an outlier in relation to its home buildings and contents policies. It had higher rates of claims rejections, walkaways and complaints than its peers. We requested information and held a series of meetings and follow-up engagement. We found that the insurer's outsourced claims handler had been responsible for issues in claims handling, and there were weaknesses in the insurer's oversight arrangements.

Although the insurer had used its own data to identify some areas of concern, we determined that the firm needed to speed up change and prioritise improvements. As a result of our engagement, it committed to a package of improvements, including:

- changing its outsourced claims handler
- establishing a senior-level working group focused on improving claim settlement rates
- conducting and scheduling audits of the outsourced administrator, with examples provided to demonstrate improved oversight
- enhancing internal management information and key performance indicators for claims handling

Following these actions, all key claims handling metrics showed significant improvement.

- 3.35** We have also used our analysis of value measures data to intervene more widely where it has highlighted concerns. We identified that in 2022 only 6% of Guaranteed Asset Protection (GAP) insurance premiums were paid out in claims, while in some cases up to 70% of premiums were paid as commission to distributors. As a result, we initially requested firms accounting for 80% of the GAP insurance market to pause sales, shortly followed by the rest of the market. Sales remained paused until firms could demonstrate that their product provided fair value to customers.
- 3.36** More widely, we have intervened in the retail insurance market to test firms' adherence to our product governance rules, the Duty, and our wider regulatory requirements. We took action, without the need for enforcement, where firms have not met standards. For example, following our work on insurers' valuation of vehicles in 'motor total loss' cases, we secured approximately £200 million in redress for around 270,000 customers.
- 3.37** We have also driven improvements in firms' internal controls and processes, including testing Consumer Duty outcome monitoring with large insurers. This work included

20 large insurance firms, several of whom completed risk mitigation plans (a tool we use when we identify material concerns to tell a firm what we think it needs to do to fix issues and by when, and which we maintain oversight of) and attestations by senior managers to improve their outcomes monitoring under the Duty.

Case study

Following our [Consumer Duty outcome monitoring review](#), we asked a firm to complete a risk mitigation plan. The firm was able to demonstrate improved customer outcome testing, and customer experience-focused quality assurance to detect and prevent harm earlier in the customer journey.

The firm developed an enhanced key risk indicator (KRI) library for customer support aligning with our expectations. It can now consistently measure appropriate KRIs to monitor and enhance customer support as part of its monthly oversight.

The firm also introduced a programme that promotes full case ownership and proactive resolution, to improve outcomes and ease pressure in peak periods.

Our monitoring has shown a significant improvement in key metrics, including the firm's complaints data such as Financial Ombudsman Service volumes and uphold rates.

Future work

- 3.38** When setting our most recent priorities, we recognised that there is still work to do to improve outcomes for consumers when making a claim. Because of this, we continue to focus on understanding and addressing the underlying causes of these issues.
- 3.39** We have a programme of work focused on improving consumer understanding, claims handling and service quality. Paragraphs 3.40 to 3.49 explain the work we'll do to address claims handling and service quality, and what we've adjusted in response to Which?'s concerns. We set out the timelines for this work below and in Chapter 6 'Monitoring and next steps'.

Improving outsourced claims handling

- 3.40** Our 2025 home and travel insurance claims review identified persistent weaknesses in firms' oversight of outsourced claims handling providers. We found that some insurers had limited control over third-party arrangements, raising concerns about their ability to deliver good customer outcomes as required under the Duty.
- 3.41** In response, we had already planned work to understand better the extent of outsourcing in the market and the quality of oversight. Our focus was to be on the use of Managing General Agents (an insurance intermediary that an insurer has authorised to act on its behalf for certain activities). We planned to use data to identify any potential indicators of harm, including in relation to claims handling.

3.42 Following the concerns raised by Which? we will broaden the scope of our planned work to include:

- a wider consideration of different delegated authority models (where an insurer gives another party the authority to carry out certain tasks on their behalf such as underwriting or claims handling)
- remuneration arrangements and how firms manage any resulting conflicts

3.43 We'll refine the scope further with a focus on claims and we'll begin this work during Q2/Q3 2026.



Action:

We will broaden the scope of our planned outsourcing oversight work to include a wider consideration of different delegated authority models used for claims handling, remuneration arrangements and how any resulting conflicts are managed.

Improving service quality

3.44 Our 2025 home and travel claims handling review highlighted issues in the support firms give customers throughout the claims journey. This included poor management of claims and suppliers, ineffective communication with consumers, and a lack of regular customer updates. These shortcomings led to unnecessary delays and increased complaints. Over a quarter of firms included in our review upheld a high proportion of service-related complaints – more than 70% in some cases. Our Financial Lives 2024 survey highlighted similar issues: 22% of those who claimed in the 2 years to May 2024 experienced a problem when making their claim. The most common problem experienced was the claim process taking longer than expected, followed by poor service or communication.

3.45 Which? also highlighted concerns about the service firms give customers when they make a home or travel insurance claim, for example where consumers may have repeated requests for the same evidence/information. It also highlighted specific concerns about how firms identify and support customers with characteristics of vulnerability, and the effect on these consumers.

3.46 One of our insurance market priorities is to drive improved service quality. We have planned work to understand and assess consumer harms arising from poor quality service and administration (including claims service) in retail insurance products.

3.47 It's important that we fully understand the nature, scale, severity and underlying causes of any issues we identify, to ensure that our interventions are targeted, proportionate and address consumer harm.

3.48 Our work will analyse data we already hold to support focused work, including to understand how poor practices may stop firms identifying and supporting customers with characteristics of vulnerability.

- 3.49** In response to the findings from our home and travel insurance claims review and Which?'s concerns, we'll place particular attention on home and travel insurance products in this work. We'll report the outcomes of this work during Q2/Q3 2026.



Action:

We'll focus our planned work to improve service quality on home and travel products including to understand how poor practices may stop firms identifying and supporting customers with characteristics of vulnerability.

Improving claims performance transparency through our value measures data

- 3.50** In 2021, we introduced general insurance (GI) value measures reporting and publications, and fair value rules to enhance market transparency around value.
- 3.51** As we highlighted in our most recent value measures publication, and as discussed in Chapter 2 we recognise that there are challenges with the consistency of this data.
- 3.52** As Which? has noted, claims acceptance rates for home insurance continue to vary significantly between firms. Our recent value measures publication explained that acceptance rates ranged from 50–55% to 95–100%. We have engaged directly with some firms to better understand the reasons for these differences. Where we've identified material reporting issues, we've required firms to resubmit their data.
- 3.53** We acknowledge that there may still be inconsistencies between firms' approaches to reporting, and we consider improvements need to be made to the data we receive.
- 3.54** When we introduced these value measures rules, we committed to conducting a post-implementation review once firms had time to embed them. This review is now in progress, and we'll examine these inconsistencies and challenges alongside the impact of our rules, and how firms have implemented and complied with them. We expect to publish our findings in summer 2026 when we'll set out any proposed changes to reporting.
- 3.55** In the interim, we continue to engage with firms where data identifies them as an outlier.



Action:

Following our post-implementation review of value measures rules, we will set out any proposed changes to reporting.

Association of British Insurers (ABI) commitments

- 3.56** Following recommendations in our home and travel claims report and in response to the Which? super-complaint, the ABI has set out a series of immediate actions and longer-term commitments to strengthen outcomes for consumers.

3.57 The ABI has already taken some action:

- in October and November 2025, it updated consumer-facing guidance on storms and flooding and expanded FAQs to help consumers with understanding their property maintenance obligations and claims processes
- in November 2025, the ABI revised its storms advice to firms, emphasising the need for flexibility in handling storm claims

3.58 The ABI has further committed in Q1 2026 to:

- review and enhance cash settlement best practice guidance to members, extending existing flood claims best practice to other major perils that cause significant damage to the property, including storms, fires etc.
- explore collaboration with external experts to better understand resilience of UK housing stock to severe weather events
- conduct research on building standards and wind protection
- establish a working group in line with recommendations from the Government's Financial Inclusion Strategy to address travel insurance and mental health conditions

3.59 Alongside this the ABI will be developing a consumer facing media campaign to promote understanding of insurance cover, including the importance of home maintenance. It will collaborate with Which? and other groups to develop a shared understanding of how this can have the greatest impact, grounded in behavioral insights.**Action:**

We'll continue to engage and support the ABI as their work progresses in order to ensure that any finalised guidance they develop is consistent with the Duty and our expectations of firms.

Chapter 4

Inappropriate sales practices

- 4.1** Which? highlights poor consumer understanding of insurance products as a significant cause of claims rejections. It references research showing that consumers frequently misunderstand the coverage offered by insurance products.
- 4.2** Which? points to several drivers of this misunderstanding, including inappropriate sales processes. In particular, Which? points to:
- price comparison websites which limit the visibility of variation between products
 - customers' demands and needs not being effectively identified
 - customers not understanding key exclusions
- 4.3** Which?'s own research acknowledges the behavioural challenges in ensuring good customer understanding. This includes consumers purchasing policies with a disengaged mindset, customer uncertainty about cover needs, and calls for firms to do more to tackle poor understanding.
- 4.4** Data from the FCA's Financial Lives 2024 survey shows that 92% of combined buildings and contents policyholders said they understood very or fairly well what their policy covered, a 4-percentage point rise from 2022. This is compared to 89% of multi-trip travel insurance policyholders, a 7-percentage point rise from 2022.
- 4.5** However, the data from Which?'s research, and claims acceptance rates seen in FCA value measures data, show there is still a gap in consumer understanding of home and travel insurance, which may only become apparent when a customer makes a claim. Further effort and innovation is needed by those manufacturing and selling home and travel insurance to address these issues.
- 4.6** According to the Financial Lives survey, in 2024:
- 32% of policyholders agreed that when buying insurance, they tend to choose the cheapest option rather than comparing the cover. Those who said this were most likely, for example, to not understand their policy documentation, to have low financial resilience and to be under 45.
 - 78% of combined buildings and contents insurance and the same proportion of multi-trip travel insurance policyholders found it very or fairly easy to compare policy coverage.
 - Most policyholders said they had a very or fairly good understanding of what their policy covers (92% for combined building and contents, and 89% for multi-trip travel).
 - However, 31% of all policyholders agreed that there isn't enough information to judge the quality of different policies. Younger policyholders, those who didn't understand their policy well or were overindebted were among those most likely to feel this way.

4.7 We know improving consumer understanding is challenging. Firms have many interactions with consumers about inherently complex financial products, consumer literacy can be low, and consumers may not choose to engage with firms' communications. Some customers may prioritise faster sales journeys, or find long question sets taxing. But we also know that improvements to communications based on consumers' characteristics and behaviour can improve understanding and lead to better outcomes.

4.8 In this chapter we set out:

- an overview of our rules around consumer understanding
- our views on whether a market study is appropriate to address concerns around consumer understanding in the home and travel markets
- the actions we have taken, or plan to take, to understand and address issues around consumer understanding

Our rules around consumer understanding

4.9 The consumer understanding outcome under the Duty requires firms to communicate with customers in a way that is clear, timely, and easily understood. This means communications should be tailored to different customer needs, support decision-making, and be tested where appropriate to ensure effectiveness, including for consumers with characteristics of vulnerability. The Duty also requires firms to consider buying behaviour when ensuring consumer understanding through the sales processes. Firms must interpret these requirements in the context of their businesses, using assessment frameworks to identify where they fall short and make changes to address gaps.

4.10 Our insurance product governance rules require firms to ask questions to identify a customer's demands and needs and only offer products consistent with those. The level of detail in this process should be proportionate to the complexity of the insurance product and the type of customer. This is part of a broader obligation to act in the customer's best interests and ensure they can make an informed decision.

4.11 We have seen the technology around distribution changing. We expect to continue to see firms innovate, including an increase in the use of artificial intelligence (AI). We want to give firms flexibility to adapt to technological change and market developments, rather than detailed and prescriptive rules:

- Our Consumer Duty rules mean that as firms innovate, they need to meet the information needs of retail customers and equip them to make decisions that are effective, timely and properly informed.
- Through our work to simplify the insurance rules we are considering whether the prescriptiveness or the amount of information required in our insurance rules can be reduced and whether firms could be given more flexibility in how they provide key information. We expect to engage further with the industry and consumer groups on this during 2026.

Which?'s recommendation to carry out a market study

- 4.12** Which? has called for a market study to analyse, understand and address the underlying issues driving poor customer outcomes, in particular the extent to which consumers are provided with adequate information about firms' claims-handling outcomes and the key features and limitations of their products.
- 4.13** As set out in our [approach to competition](#), market studies are the main way we investigate markets to see how well they are working for consumers, but we also have a range of other regulatory tools available. We decide on a case-by-case basis whether to open a market study and consider several factors, including:
- The prospects for and likely impact of any intervention in the market.
 - How the issue fits with upcoming regulatory developments or ongoing activity, and how it would affect our current work, including resource implications.
 - Whether the issue might be better addressed by another form of FCA intervention or by another authority.
- 4.14** The Competition & Markets Authority (CMA) also has powers to carry out a market study, and in 2017 published its [market study on Digital Comparison Tools](#). The study found that Digital Comparison Tools (also known as price comparison websites) are mostly a force for good, making it 'easier for people to shop around, and improve competition – which is a spur to lower prices, higher quality, innovation and efficiency'. However, it also concluded that more could be done with quality metrics, both in terms of their use and the way in which they are presented, to support effective comparisons.
- 4.15** To assess whether launching a market study would be a proportionate response to the issues in the home and travel insurance markets, we have considered market dynamics and parameters of competition, met with Which? to understand their rationale for proposing a market study, and analysed data.
- 4.16** We have considered 2 main theories of harm based on Which?'s concerns.

Sales and distribution processes distort competition by limiting consumer ability to compare on quality and suitability.

- 4.17** Our Financial Lives survey shows most home and travel insurance customers purchased their policies indirectly. But we currently have limited data on how different sales channels, such as direct from insurer, price comparison websites or other intermediary, translate into customer outcomes. In 2024, our Financial Lives survey shows that low premiums and good policy cover were the most cited reasons for choosing an insurance provider. We have considered the risk that consumers lack accessible information on product quality or claims performance and may not fully understand the implications of their purchasing decisions. However, the causal links between the sales process and claims outcomes are unclear.

- 4.18** A more granular understanding of these issues will help assess whether current market dynamics are leading to consumer harm, and to make sure any future regulatory or industry-led interventions are appropriately targeted, proportionate and effective. However, the targeted nature of our information gaps means that the most effective way of gaining this understanding is through a focused piece of analysis to better understand the relationship between sales processes, consumer understanding and claims outcomes. If that work leads us to conclude that there are wider, more complex issues, then we will reconsider our approach, but we think this targeted analysis will enable us to diagnose specific issues and, where appropriate, implement solutions swiftly, working alongside industry and consumer bodies. We explain below the commitments we have received from industry and consumer bodies to address these issues through a working group. The evidence we gain through this analysis will support this group to find evidence-based solutions.



Action:

We will carry out further targeted analysis of how sales processes are affecting consumer outcomes in the home and travel market.

Firms' claims-handling incentives and supply chain arrangements may reduce the quality of claims outcomes

- 4.19** In response to Which?'s concerns, we have considered whether firms' claims-handling incentives and supply chain arrangements may reduce the quality of claims outcomes. We assessed whether arrangements with third parties could weaken incentives to deliver good outcomes for consumers and whether there was adequate oversight of outsourced providers. These issues are explored further in Chapter 3.
- 4.20** Given our existing programme of work described in Chapter 3 and its ability to deal with the potential for harm identified and to do so more quickly, we don't believe it would be proportionate to also launch a market study to address issues on claims handling incentives and supply chain arrangements.

Future workplan to support firms in meeting the consumer duty outcome

- 4.21** As well as completing targeted analysis, we have a programme of work that enables us to support firms to make ongoing improvements to consumer understanding. The findings from our targeted analysis will support this work.
- 4.22** As part of our Consumer Duty work, we recently reviewed the home and motor insurance sales journeys of the 4 largest price comparison websites. We wanted to understand how these firms were meeting the consumer understanding outcome and the requirement to identify customer's demands and needs.

- 4.23** We visited each firm to see how they were testing and improving their sales processes. Firms were able to show how they have made, and continue to make, changes to customer journeys to improve understanding. We identified several opportunities for firms to consider to continue to delivery good outcomes to customers, which we have shared by way of feedback letters to firms. These include changes to support customers making informed decisions, such as providing further support to customers when selecting a rebuild cost for their home.

**Action:**

Following our review, we will work with price comparison websites to address feedback around consumer understanding in sales journeys.

- 4.24** We are currently undertaking a cross-sector review into firms' approaches to consumer understanding.
- 4.25** This work focuses on testing how, and if, the changes firms have made to communications are affecting the way consumers are making decisions. This includes if they've seen a change in the way consumers behave. As part of this review, we will share good and poor practice examples so firms can see how the Duty is driving change and to help them deliver good consumer outcomes.
- 4.26** As a result of Which?'s concerns we will expand this review to cover home and travel insurance firms. The findings of this work will support our wider work around where further innovation or intervention is needed. This work will also inform, and be informed by, our targeted analysis of sales practices.

**Action:**

We will include home and travel insurance firms as part of our planned Consumer Duty work on Consumer Understanding.

- 4.27** Consumer groups and industry participants are in a great position to share insights and test approaches to address the complex issue of consumer understanding in the home and travel markets. Following Which?'s super-complaint we have received a commitment from insurance trade bodies and consumer groups to form a working group to use evidence to identify and test solutions to the challenges consumers face. The insights from this group will help shape our analysis of sales practices and how we continue to respond to improve consumer understanding in the market.

- 4.28** This working group has a broad membership. It has trade body representation including from the ABI, The British Insurance Brokers' Association and the Digital Comparison Association. We also have strong representation from consumer groups, such as Fairer Finance, Citizen's Advice, Fair4All Finance, FairByDesign and Money and Mental Health Policy Institute all committing to support this work.

**Action:**

A new commitment from consumer groups, trade bodies and other market participants to form a working group to address issues of consumer understanding in the home and travel markets.

Chapter 5

Application, enforcement and sufficiency of rules

- 5.1** Which? has highlighted concerns that we are failing to apply and deter breaches of our rules and relevant consumer protection legislation. Which? has called out low numbers of publicly available enforcement cases and actions recorded in our unfair contract terms library.
- 5.2** Its views are supported by the conclusions of an external barrister who was commissioned to review a sample of publicly available policy and related documents from five home and four travel insurance providers, with some overlap between underwriters. The barrister concluded that some terms in those documents are not in line with regulatory and statutory requirements and may operate against consumers' interests.
- 5.3** Which? also identified that the FCA Handbook does not yet reflect the Digital Markets, Competition and Consumers Act (DMCC Act) 2024.
- 5.4** Which? proposed the FCA address these concerns by conducting a joint review with the Government of consumer protection frameworks and how they are operating in practice. This is with a view to strengthening areas of legislation such as the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA 2012) and the Insurance Act 2015.
- 5.5** In this chapter we set out:
- an overview of our approach to enforcement actions and unfair contract terms
 - our observations of the conclusions reached following our review of a sample of policy (and related) documents
 - our assessment of whether there is sufficient evidence to warrant comprehensive review of relevant consumer protection frameworks in insurance at this time

FCA enforcement of rules and law

- 5.6** We don't agree that our published enforcement or unfair contract terms data indicate that we're not enforcing our rules and relevant law.
- 5.7** We have a wide variety of regulatory tools and powers to require firms to take corrective action to resolve breaches of our rules or unfair terms legislation. This includes statutory tools such as our information-gathering powers, working with firms to add requirements to their permissions, or requiring s166 skilled person reviews, and non-statutory tools such as requesting action from a firm's senior management (including attestations or risk mitigation plans) or on-site visits.

- 5.8** Enforcement may not always be the most appropriate way for us to intervene if we can achieve the same outcome through other powers. In most instances, we can ensure our rules are correctly complied with and require firms to take corrective action without using enforcement powers.
- 5.9** Like our broader supervisory approach, we will use the most appropriate regulatory tool when deciding what action, if any, to take. For example, if we can achieve the same level of consumer protection in relation to a contract term we have concerns about, we may act under the FSMA instead of under the Consumer Rights Act 2015 (CRA).
- 5.10** When using our powers under the CRA, we review contract terms from a variety of sources, including from our supervision of firms, proactive monitoring of Financial Ombudsman Service decisions and social media intelligence, and those referred to us by consumers and other external stakeholders.
- 5.11** Where we take action under the CRA and raise concerns with the fairness and/or transparency of terms, we expect firms to:
- amend or delete the relevant term(s) to make the contract clearer and fairer, and not rely on those terms in existing contracts
 - pay redress to consumers if harm has been caused by how the term(s) has been applied in practice
 - in some cases, provide us with a voluntary undertaking under the CRA
- 5.12** Due to confidentiality laws, we don't provide details of any specific actions we may or may not be taking, and most of our work enforcing rules against individual firms and on unfair terms legislation isn't made public.
- 5.13** Nonetheless, we are taking action where needed. For example, since January 2022, across the insurance sector, we have written to 32 firms to raise concerns with terms under the CRA. This has resulted in changes to 40 terms in consumer insurance contracts and more than £11m of redress being paid to consumers.



Action:

We will continue to use our suite of statutory and non-statutory tools and powers to make sure firms continue to comply with our rules and relevant legislation and take action against firms to secure compliance and appropriate outcomes for consumers.

Review of policy terms and other documents

- 5.14** We have reviewed Which?'s legal analysis of policy and related documents. We were able to source the same documents in their review through the publicly available sources they referenced. We have also engaged with Which? on its analysis to ensure that we understand the evidence base for the conclusions presented.
- 5.15** We note that the sample used by Which? is small and the overlap of underwriters appears to have resulted in some instances of similar wordings across the policies analysed.
- 5.16** Nonetheless, having checked the conclusions in Which?'s analysis against the underlying policy terms and the relevant rules and legislation, our main observation is that there is no clear evidence of how these terms are being applied or interpreted by firms in practice. For example, some policy documents use different or more nuanced language than existing rules or legislation. Without checking how these terms are applied in practice, we cannot agree with Which?'s conclusion that these terms are being applied unfairly or in breach of firms' obligations.
- 5.17** In many instances we also could not verify whether the policy wording was leading to detrimental outcomes as no evidence of significant consumer harm as a direct result of these policies was presented.
- 5.18** In some cases, policy definitions such as 'storm' and cash settlement clauses in home insurance were highlighted as being concerning. As discussed in Chapter 3, we are already taking comprehensive action on issues related to storm damage and cash settlement following on from our review of home and travel insurance claims handling.
- 5.19** However, we agree there may be potential concerns around some of the policy wordings raised in Which?'s analysis, including where they may potentially be unclear, inaccurate, or out-of-date. Alongside the broader rules and legislation that firms are required to comply with, our Consumer Duty specifically requires firms to avoid foreseeable harm and to support consumer understanding. Where we found potential concerns with policy wordings, we will also follow-up with relevant firms from Which?'s analysis to consider whether any targeted interventions or further action is required.
- 5.20** As explained in Chapters 3 and 4, new work is also being taken forward by the ABI to help improve consumer understanding and we will also be considering how best to support consumer understanding through collaboration with trade bodies and consumer groups. We are supporting the ABI in their work.
- 5.21** Overall, we don't agree that Which?'s desk-based legal analysis provides sufficient evidence of significant consumer harm. Nor do we agree that it warrants immediate action over and above that which we are already taking as described above against firms. In the cases where we identified potential concerns around specific policy terms or the scope of possible harm, we will follow-up with firms and take a proportionate approach to making sure they comply with our rules and consumer protection legislation and, where necessary, take corrective action.

**Action:**

Where we have found potential concerns around specific policy terms, we will follow-up with firms and take a proportionate approach to ensuring that they comply with our rules and consumer protection legislation.

Consideration of a joint FCA and government initiative to review consumer protection legal frameworks in insurance

- 5.22** Which? recommends that we review consumer protection frameworks jointly with the Government with the aim of strengthening relevant rules or law. Which?'s view is that our rules and regulatory powers are insufficient and the relevant frameworks need to be strengthened.
- 5.23** We've set out how we use our tools and powers to make sure firms comply with relevant rules/law and treat consumers fairly in line with our Consumer Duty. We've given examples of many actions that aren't part of our regular published statistics about enforcement or unfair contracts data. We've also explained that our approach focuses on getting the right outcomes for consumers, and we've noted in Chapter 1 that we have a track record of successfully intervening to secure redress for consumers and required firms to take action where it's needed.
- 5.24** As noted above, we are not persuaded by many of the conclusions in Which?'s legal analysis of policy documents. We're unable to agree with Which?'s conclusion that there is sufficient evidence of harm from this analysis of policy documents that would require immediate end-stage enforcement actions or urgent amendments to our consumer protection frameworks.
- 5.25** We will not therefore be taking forward Which?'s recommendation to conduct a joint review with the Government of our consumer protection frameworks at this time. We've shared our analysis of these issues with the Government. It shares our view that the current legislative framework and available rules are sufficient to protect consumers and allow us to take appropriate action.
- 5.26** We agree that we need to reflect the DMCC Act into our Handbook and will consult on changes in Q1 2026. However, this has not prevented our ability to act under the DMCC Act, as shown by our use of these powers to require unauthorised law firms to provide us with information about their exit fees.

**Action:**


We will begin publicly consulting on changes required to reflect our role under the DMCC Act into our Handbook in Q1 2026.


Chapter 6


Monitoring and next steps

- 6.1** We've set out a comprehensive set of actions to address issues in home and travel insurance. We will work with industry and consumer groups to deliver these actions.
- 6.2** We have also set out the measures we will use to help us understand the impact of these actions. Where we don't see improvements, we will hold the industry to account and consider further intervention, both at a firm and market-wide level.
- 6.3** We are reviewing the metrics we use to measure claim outcomes and consumer understanding. Through the post-implementation review of our value measures rules we will consider if the type and frequency of the data provided by firms allows us to properly monitor claims outcomes.
- 6.4** We will share an update on the actions we are taking in response to the super-complaint, and the impact of these actions, before the end of 2026. In our update we will share the findings of work completed to enable engagement from the industry, consumer groups and other stakeholders to continue to address issues in the market and drive improved outcomes for consumers.

The actions we're taking

Which?'s area of concern	Work completed since July	Ongoing and planned actions	When	How we will know we are succeeding
Claims Handling 	<p>Opened two enforcement investigations.</p> <p>Commissioned independent reviews of three firms' claims handling systems and controls (through s166 reports by skilled persons).</p> <p>Required three firms' senior managers to attest to strengthen their systems and controls.</p> <p>Asked 13 out of 15 home insurers in our sample, to review how they've handled storm and/or cash settlements.</p>	(Ongoing) Progress the investigation and remediation with firms following our home and travel claims review.	Ongoing	<p>Fewer complaints relating to claims.</p> <p>Improvement in claims satisfaction metrics through our Financial Lives survey and other surveys.</p> <p>Firms will be able to show the steps they have taken to address the findings of our review into home and travel claims.</p>
		(Ongoing) Monitor outcomes of interventions and consider whether there is a need for any further market-wide action.	Ongoing	
		(Expanded) Amending the scope of our planned outsourcing oversight work to include different delegated authority models and remuneration arrangements. We will also carry out an analysis of claims service quality which will now focus on home and travel insurance.	Starting Q2/Q3 2026	
		(New) Consider how we capture claims outcomes as part of our post-implementation review of our value measures rules.	Reporting H2 2026	
		(Ongoing) Supporting the ABI's commitment to work with its members to understand our expectations on storm claims, cash settlements, and effective governance, oversight and management information.	Ongoing	

Which?'s area of concern	Work completed since July	Ongoing and New Actions	When	How we will know we are succeeding
Sales Processes 	Provided feedback on sales journeys to the four largest price comparison websites.	(New) Analysing how different sales processes affect consumer outcomes. This will help us understand whether market dynamics are leading to consumer harm.	Starting Q1 2026	Improvement in understanding shown through our Financial Lives survey. Higher claims acceptance rates in home and travel insurance. Examples of firm innovation leading to improved outcomes.
		(New) Reviewing how home and travel insurance firms are acting to improve consumers' understanding of their insurance cover and share best practice with the industry.	Starting Q2 2026	
		(New) Working with the industry and consumer groups to find new ways to improve consumer understanding of their insurance cover.	Starting Q1 2026	

Which?'s area of concern	Work completed since July	Ongoing and New Actions	When	How we will know we are succeeding
Application of rules and law 	Continuing to uphold regulatory and legal standards with appropriate tools.	(New) Where we have found potential concerns around specific policy terms raised by Which?, we will follow-up with firms to ensure that they comply with our rules and consumer protection legislation.	Q1 2026	The Digital Markets, Competition and Consumers Act 2024 will be reflected in our Handbook.
		(Ongoing) Begin publicly consulting on reflecting the Digital Markets, Competition and Consumers Act 2024 in our Handbook.	Q1 2026	

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