

HOUSE GUARD LEGACY

Value Statement

This document is created for advisers and distributors to provide a summary of our annual Fair Value Assessment, and the outcome of that review.

Fair Value Assessments are conducted using a number of metrics to determine value; including loss ratios, claims and complaints frequency. Ageas's intent is for this document to meet the requirements under the FCA PROD rules.

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The House Guard scheme is predominantly distributed online and via intermediaries. The product is sold via many different brokers. House Guard is a core Ageas product where Ageas controls the policy wording. Ageas acts as the manufacturer of the Household insurance but does not provide any add-ons which are sourced separately by the brokers. There is no indication that the product is being sold outside the target market.

Products and services

During the reporting period, overall policy volumes have declined, primarily due to rate adjustments applied to both Legacy and Simplification products. A modest uplift in Prestige volumes was noted, driven by a temporary pricing anomaly that resulted in rates being more competitive than intended.

Cancellation and lapse rates remain comfortably within acceptable thresholds, largely influenced by the Prestige product exit and associated pricing actions. Underwriting and broker-related complaint volumes continue to be low, while claims complaints have slightly exceeded internal thresholds. Importantly, the majority of complaints are resolved within four weeks, with upheld and rejected outcomes aligning with established peril trends.

Storm-related complaints persist, often stemming from customer misinterpretation of the windspeed criteria. This issue is being actively addressed with a number of steps being taken to improve customer awareness and communication.

Overall, there are no material concerns within this segment. Ageas continue to review and work with claims suppliers with a view to reduce the impact of delays or material access challenges.

Consumer support

The House Guard product has experienced an increase in Financial Ombudsman Service (FOS) complaints, primarily driven by claims declined in full - most notably in relation to storm events. The increase in FOS complaints resulting from storm claims resulted

in a number of steps being taken to address this via targeted communications and process improvements to increase customer awareness and communication around claim eligibility.

More recently, there has been a notable reduction in FOS complaints.

Price and value

The product continues to demonstrate strong consumer value, with claims performance indicating effective support for customers in the event of loss. A number of high-value claims have been processed, reinforcing the product's role in delivering meaningful financial protection.

Premium levels remain proportionate to the cover provided, and commission rates are within acceptable thresholds. Overall, the scheme offers fair value, with no concerns identified in the latest assessment.

Consumer understanding

Claims frequency for the House Guard product indicates that it is being used effectively by the intended customer base. The claims acceptance rate remains within tolerance, and when considered alongside the repudiation rate, it suggests the product is reaching its appropriate target market.

However, the percentage of claims marked as “walkaways” is currently outside of tolerance. A review identified the primary reasons for walkaways as: no contact from the policyholder, a decision not to proceed with the claim, or other unspecified reasons.

A detailed analysis of House Guard walkaways was conducted by Claims Quality, Risk, and Delegated Assurance. The review found no evidence of unfair barriers or customers abandoning valid claims.

Cohort analysis

Cohort analysis, including monitoring of customer vulnerability, tenure, age, and claim type, has also been completed. No concerns have been identified, and value is delivered consistently across all customer groups. The fair value assessment for House Guard, is aligned to the four Consumer Duty outcomes and confirms that the product continues to deliver value for a reasonably foreseeable period.

Summary

Overall, customers are receiving good outcomes in relation to being able to utilise the product at point of claim, as evidenced by the metrics mentioned. The distribution chain is not complex, and the costs versus insurance product commission is not excessive, to the point that the customer is paying an overinflated price.

Based on the information above the product demonstrates fair value. Ageas are comfortable for this product to continue to be distributed for the next 12 months.