



UNLOCK
The National Association
of Reformed Offenders

UNLOCKing Insurance

Issues & Evidence

2008



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Introduction

Unlock

UNLOCK, the National Association of Reformed Offenders was established in 1999 by a group of reformed offenders and former HM Chief Inspector of Prisons, Sir Stephen Tumim. It aims for a society in which reformed offenders are able to fulfil their positive potential through equal opportunities, rights and responsibilities.

UNLOCK creates change through innovative pilot projects, focused campaigns, strategic partnerships, media work, and by providing information and support. It is led by Chief Executive Bobby Cummines, who served 13 years in prison, and President Lord David Ramsbotham, former HM Chief Inspector of Prisons.

As a significant part of its work, UNLOCK has worked to raise the profile of financial exclusion amongst former offenders and their families, with projects such as UNLOCKing Banking, UNLOCKing Financial Capability and UNLOCKing Insurance.

Insurance and Reformed Offenders

Of the 7.3 million people on the Home Office's Offender Indexⁱ, around 99% are in the community.ⁱⁱ At a number equal to one quarter of the UK's working population, these 7.2 million citizens; men, women, parents, grandparents, children, employees and employers, constitute a significant part of UK life.

However, under the current policies and practices of the UK's mainstream insurers, people with *unspent* convictions, and those that live with them, are essentially barred from securing even basic insurance. This can have serious emotional, social and economic consequences for the individual, their family and society as a whole.

The Rehabilitation of Offenders Act (1974) or 'ROA' sets a time period, based on the sentence given, during which past convictions must be declared to employers or insurers. These 'rehabilitation periods' are many times longer than the actual sentence given and in some cases last forever. Until this period passes, the conviction is defined in law as *unspent* and the individual will face exclusion.

Sentence	Period (18+)
Prison/ YOI: 30 months or more	Forever
Prison/ YOI: 6 months- 30 months	10 years
Prison/ YOI: Less than 6 months	7 years
Community Service/ Probation	5 years
Fine/ Compensation Order	5 years
Absolute Discharge	6 months

Rehabilitation of Offenders Act (1974)

Such consumers are damned if they disclose and damned if they don't. All insurers consider *unspent* convictions as material facts. Under the blanket exclusion policy, the mainstream insurers will simply refuse to offer or cancel any cover for people with unspent convictions or a policyholder living in the same home.

Many former offenders are not aware of the requirement to disclose unspent convictions. This is largely due to a lack of awareness, or even interest, regarding the ROA and its application to insurance law amongst many organisations both within criminal justice and the insurance industry. The onus is always on the insured, so if full disclosure is not made, consumers can pay premiums over long periods in the belief that they are covered, when in fact their policies are void.

Without buildings insurance, mortgages become unavailable or rescinded and families lose their homes. Without motor insurance, personal transport is lost, preventing access to many jobs and impeding family life. Without access to commercial insurance small businesses are unable to trade and self-employment opportunities disappear. These consequences are negative for the UK as a whole.

UNLOCKing Insurance

Since supporting the establishment of the first specialist broker dealing with these clients, UNLOCK has helped hundreds of individuals and families. By working with the ABI to encourage new entrants to the market, building links with specialist brokers, UNLOCK is developing a fair and competitive market. UNLOCK refers its members to these brokers, in order that they can benefit from a competitive quote and ultimately keep their homes, transport and businesses.

Issues & Evidence Report

This report is a consolidation of several documents produced by UNLOCK, with a view to providing a comprehensive overview of the insurance issue and how it can be solved.

Insurance was one of the very first issues tackled by UNLOCK. While great progress has undoubtedly been made, much more needs to be done. The problems can only be solved on a large scale with the involvement of many stakeholders. The insurance industry, government agencies, charities and the media all have a part to play in ensuring that both insurers and consumers are well informed and behave responsibly.



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Evidence of Need

Requests for help received by UNLOCK



Mother rejected by insurer after 22 years, for supporting her son after prison

My son served 2 years in prison following a sentence of 4 years and since March 2007 has been living with me. The company which manages my buildings insurance contacted me to ask if I wanted a quote for contents insurance and as I was interested they asked me some questions regarding my existing building insurance, one of which was 'has anyone living in your household been convicted of a criminal offence'.

I answered honestly and they then asked for details. I refused as I did not see the relevance but they insisted and said that they would report the conversation to their superiors.

Two days later I received a letter asking me for details of my son's conviction as it was a condition of my insurance policy. I complied and received a letter this week cancelling my insurance from 1st January 2008.

I have been paying insurance for my house with the same company since I took out my mortgage 22 years ago and have only made two small claims in all that time. My son lived with me until he was 20, he is now 24 and his conviction was his first offence but the insurance company are not concerned with the details. They have a policy and are just implementing it.

Sorry for the long story. What I need, of course, is advice on where to go for insurance. My son's probation officer gave me your details so I would be very glad if you can give me details of any insurance companies who will consider insuring my home.

Couple lose their insurance after declaring son's community service

My son lives with us, he received a sentence of 300 hours community service in July 2007, and he is currently a student half way through an engineering degree. My husband and I informed our insurers and supplied details of our son's conviction however they now inform us that they are not willing to renew our policy when it expires on 3rd January 2008.

Please can you give me details of brokers who might be willing to give us cover? My son has never been in trouble with the police before this incident. He is now 22 years old. The insurance company is More Than, they have been messing us around now for a couple of months before now saying they will not renew the insurance policy due on 3rd Jan.

This does not give us much time to look around for quotes and sort out alternative cover.

30 days in prison and 7 years of insurance is worth nothing

My husband served 30 days in prison back in September last year.

We have damage to our building due to storms this week and phoned our insurance company to claim on our insurance, we were asked if anyone in the household had been in prison the last 5 years.

Do you have any advice on this and will our claim be refused. We have been paying this insurance for 7 years but due to a silly mistake he made last year and a small sentence is this going to affect us forever regarding insurance.

Teacher with clean record prevented from living with her partner

I'm looking to get home insurance for myself and my partner but am finding it impossible. 7 years ago he was convicted of arson, a 3 year sentence. He served his time and has never since been in any trouble. No insurance company will support us. I am a teacher with a clean record; the house is in my name. He will not be moving in for some time but I would really like to know if it is possible to get home insurance as I am getting desperate.

Thank you for your help

Old crime, new conviction, same rules for insurance

My crime was 24 years ago and was reported in 2004. I was sentenced to 24 months and served 12 months.

I am very ashamed of my crime. Since my crime I brought up my family, bought and paid for my house, insured my house with no claims. I became a born again Christian 23 years ago and have led a very honest life. I now can't get insurance for my house.

Can you please help me with your experience?

Insurance is a barrier to employing people with convictions

I am working on the Equal project, I have to visit a couple of employers who seem to have an issue with insurance if they employ an ex-offender, would you be able to help me get some information, or point me in the direction on the web? Each day brings different barriers from different employers.

Punished for doing the right thing

My husband was convicted of a comparatively minor transgression two years ago, following a nervous breakdown, and earlier this year I suddenly found I was uninsurable as a result. Had I thrown him out on the street I would have had no problem but I chose to support him and am being punished for it.

Thank you.

Even a fine is enough to fall foul of the blanket exclusion policy

Hello there. I am writing in regards to the fact I am [deleted for privacy] years old and have worked for the government for over [deleted] years in a very trusted role, serving and protecting this country. I was in a bar fight and as a result pleaded guilty to assault. For which I was fined £750. I was not put on probation or community service or any other order whatsoever and the judge described me as a person of good character.

Why then am I not able to obtain home insurance or landlords insurance? Why? Because of the fact one incident is allowed to plague my life. I have set up a business but unless I am able to obtain insurance. I will have to shut my business down. Please inform me that this is not the case.

Was Jeffrey Archer as a convicted criminal unable to obtain insurance? I have served no other sentence other than the sentence imposed on me by the insurance industry. I do not believe for one instant that successful businessman, politicians, sportsman or celebrities are penalised in this way.

I am and continue to be a positive citizen of this country. Please do not penalise me for one incident in my life and help me by pointing me to someone who can help me.

Some specialist brokers decline some former offenders on home insurance

I am currently serving an extended licence. When I was released from prison I looked for 'sympathetic' insurers. When I rang round, there was only one broker who would quote for insurance for my offence type. The others refused to state why.

The premium was about 10 times more than my premium was before conviction (over £1000!). Since I have no mortgage, I am able to choose not to have home insurance, but would obviously prefer to be insured if possible. Your website states that most of your brokers have no exclusions. Could you please confirm that they will accept me and could you please send me a list of contact details?

Thank you for providing a much needed service

When honesty seems not to be the best (insurance) policy

Thank you so much for your support and friendly conversation yesterday. Just to give you the latest developments today, 25th October 2007.

Royal & Sun Alliance called us to say that the underwriters have considered the information given to them about our case and even though it was recommended that they re insure us because of our 10 years custom with only 1 claim on the buildings insurance and 1 claim on the contents (both very small claims) the underwriters say that they will not insure us because of our declaration of my step son's conviction. This is even though the nature of the conviction is no threat to the building or contents. They also realise their refusal to insure us will be noted by other companies who will follow suit. This for the next 5 years and beyond.

As I told you yesterday over the phone our mortgage provider has sent us a letter stating that it is a condition of the mortgage that we insure our house. There is a possibility if we cannot find an insurer that we will lose our home.

We have had a quote but it is incredibly expensive and that company will not take us on until the outstanding work involved in our claim is completed.

The insurance company has told us to contact the Insurance Ombudsman again stating that we feel the decision of the underwriters is unfair as we have been good customers. As I explained before the Ombudsman's office told me that they cannot do anything as the insurance companies are businesses and can pick and choose who they take on as customers. I will of course contact the ombudsman again...but don't expect him to act.

I contacted Jim Dobbin's office (MP) again to update them. They are writing to Jack Straw, Justice Dept. with our case. They are taking the tack of the effect of the insurance company's action on the family of the convicted person and the possibility of losing our home.

All parties involved in this case including the insurance companies have stated and agree that had we not disclosed they would probably have never found out that our son had a conviction. They all agree we are being punished because we were honest!!

I have spoken to my husband and he agrees with me that we have nothing now to lose by taking this case as far as we can to get the decision of Royal & Sun Alliance underwriters overturned...or in some way to change the insurance company rules on convictions. I feel we have been discriminated against because we were honest and disclosed my step son's conviction.

We would appreciate any guidance you can give as to what steps we should take to try and get some sort of result. Even if we take up the really expensive insurance to save our home this is still a great hardship for us both. My husband being a [deleted for privacy] with a £250 p.w. income and myself as an OAP with some disabilities. The extra outlay is devastating to our finely balanced budget. Thanks again for your support, we greatly appreciate it.

Letter received from existing insurance broker

Dear Mr D

RE:-Commercial Insurance – [Name of business removed for privacy]

Following receipt of your disclosure letter, given that the legally binding contract of insurance exists between you and the insurers Axa Insurance PLC, this matter has been referred to underwriters for consideration.

The decision from insurers is that the recent criminal conviction reflects an unacceptable moral hazard to the risk being insured.

Therefore I must advise that all cover will cease with effect from 17th March 2008, allowing you 14 days to seek alternative arrangements. Subject to no known or reported incidents underwriters will note records "Not Taken Up".

When a contract is cancelled in this manner no premium is required, and any premium paid will be refunded.

Yours sincerely

Managing Director



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Evidence of Success

Feedback from UNLOCK members



"Thanks for all the information. I've been in contact with Neil Cook of Delite Insurance and he's quoted me a fair price without any conviction details, other than general information. Thank you for the help, I'll recommend you to anyone I bump into."

"We have managed to obtain insurance from Fresh Start. Mr John Cocksell was particularly helpful. He was very responsive and understanding and I would highly recommend him/the company. Many thanks for your help."

"It is a joy to have someone who really cares and does not judge. I know there are a lot of bad people in this world but there are also a lot who make mistakes and deserve a second chance in life."

"Having recently encountered difficulties regarding house and contents insurance because a member of the household now has a criminal record, it was great to come across your web site. Fresh Start Insurance were a great help and provided a quotation that was affordable and not too much over the top. I have decided to go with this company. The process was easy and the formalities of putting the insurance in place were handled quickly and effectively. Gothic Insurance were also quick and efficient and although more expensive offered a slightly better produce. I would recommend both of these companies to anyone who is having any issues with their insurance. Many thanks."

"After a couple of years of bad experiences with insurance companies and the industry as a whole, it makes a refreshing change to be able to deal with people that look past the conviction and do not continue to treat you like a criminal."

"Thank you so much for your help. Strange how it takes 5 and a half years and a claim on our home insurance to realise that your insurance is not going to pay. Thank goodness it was a relatively minor claim and not a rebuild! Fantastic service from yourselves and all at Delite insurance. Unlock now saved to favourites... Only one year 8 months for us to go!!! Thanks lots."

"Thanks for your assistance on this matter. I'm glad to have stumbled across your organisation. I will pass on your details to anyone I should come across in the same situation."

"Thank you so much for your advice and UNLOCK truly are a great company and deserve credit for doing what is right and fair in a very unjust world."

"After speaking to [the brokers] and exchanging various correspondences between us, I have just purchased the company liability and household insurances that I was after. [They] have also put me in touch with other companies that specialise in motor insurance, income replacement, life cover etc. I was very impressed with the prices and support received."

"Through your introduction, both Culpeck Insurance and Bureau Insurance have helped me through the nightmare. I don't know what I would have done without you. Please find enclosed a small donation to your charity. We are still reeling from the financial implications but I will always remember your help when I needed it and when things improve will try to send more."

"Thanks for your help with my insurance problems. I lost my job after my conviction but have now set up my own business and have loads of work already on the books. Long may you continue."

'As the director of a large company, I was devastated about the impact my prison sentence would have on the jobs of all my employees. It seemed impossible to secure insurance to continue trading and the business was taken to the precipice of collapse. Thankfully, through working with a broker on UNLOCK's panel, I was able to find affordable insurance & save the jobs of my entire workforce. From seeing how quickly a vicious cycle develops for offenders, I decided to begin offering work to other former offenders, so that I could aim to create a virtuous cycle instead'



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Evidence of Success

Case Studies



A simple re-mortgage can lead to homelessness

In late December 2005, just before Christmas, we received a call from a lady who was very distraught & tearful. The client informed us that, in arranging a re-mortgage, she had disclosed her husband's conviction as required. Due to this fact, she was now unable to secure the required buildings insurance from the mortgage provider or any other insurance provider she could find. Without the insurance they faced being thrown out onto the street.

The client said that she was "at her wits end" and doubted anyone could help. After contacting one of the brokers on our list, the client was asked to complete and return a proposal form. The form arrived with the broker the next morning. The broker spent a 'frantic hour' trying track down their underwriter who was enjoying the festivities.

The broker rang the client back and as soon as she was informed of a positive result she 'burst in to tears of joy'. The lady passed the broker on to her husband, who had to assure him five times that cover was ready and waiting for them. The cover was ultimately arranged and Christmas on the streets was avoided.

The NOMS Pathways to Reducing Re-offending include:-

- Access to financial services *(Finance, Benefit & Debt)*
- Stable accommodation *(Accommodation)*
- Strong family support *(Children & Families)*
- Securing employment *(Education, Training & Employment)*

Reformed offender not the guilty one

An older gentleman who had been very senior in the financial services industry called as he urgently needed to arrange household insurance. On release he had raised this issue with his probation officer. At each meeting he raised the question, "Can you recommend any one who will offer insurance to an ex-offender", expecting the Probation Officer to know.

Finally, after several weeks of being uninsured, the client's Probation Officer brushed him off saying, "Well why tell them at all?" Explaining that this would constitute fraud, and focused on doing his best to rehabilitate, the client did not take this advice but kept trying until he found Unlock. Denied this basic information, an ex-offender with lower skills and less knowledge could have been forgiven for simply taking the 'professional' advice not to disclose.

The benefits of good advice

For many people insurance supermarkets offer a cheap and convenient way to arrange insurance. However, for anyone with specific needs, including reformed offenders, the results of these automatic searches are often severely limited. Even the relatively 'human touch' of a call centre is likely to end in frustration

In one case, a broker was able to provide buildings cover at a lower cost even AFTER disclosure. This was achieved simply by proper completion of the proposal form. This highlighted that the client had been using the 'up to' figures used by his bank, rather than the true costs of rebuild. For example, he would have asked for quotes based on a house rebuild cost of £350,000, rather than the true cost of £80,000, simply because his bank happened to have a blanket amount for all customers.

No transport, no job

On release from a short prison sentence served in Scotland, a gentleman returned to his home. He successfully secured a job, to which he travelled each day on his 12 year-old Yamaha Motorbike. After some time he received a renewal notice for his motorbike insurance. He carefully read the letter which mentioned that if there had been 'any changes to his circumstances' he must inform them. The letter was unusual in providing as an example 'e.g. convictions'. He contacted the insurer immediately and advised them that he had received a criminal conviction, though it was not related to motoring. They thanked him for the information and cancelled his policy immediately. He got in touch with his Criminal Justice Social Worker, who was not aware of the issue but looked for further information. Discovering Unlock, the social worker passed on the details. Unlock passed on the contact details of relevant insurers and he set about contacting them. His first attempt was only half successful – insurance could be secured but for over £1300 3rd party cover only, which he could not afford. His premium prior to conviction had been £295 for fully comprehensive. By contacting other brokers on the panel he finally secured a quote of £470 for 3rd party, fire and theft. This highlights the fact that former offenders continue to pay hugely increased premiums on a blanket basis, without regard for individual circumstances. On the positive side, the gentleman managed to keep his job.

Public protection

Faced with discrimination in the employment market, a former offender turned to self-employment in order to pay the bills. He quickly discovered that his small window-cleaning business needed Public Liability Insurance, since something as simple as someone tripping over a bucket could result in litigation. (Typical claims might be around £5000 but as the UK becomes more litigious claims of £50,000-£500,000 are becoming more common). He also found that holding appropriate Public Liability cover is a requirement for even tendering for most contracts. He also found that it helps to assure potential customers of the professionalism of his company. Brokers in UNLOCK's panel have helped numerous start-up companies grow, as well as securing insurance for established businesses where convictions have been disclosed.

As small businesses become successful and begin to grow, from sole-trader to limited company, further requirements are placed upon their owners. Directors of a limited company are legally deemed to be employees, even if they are also the owners. Hence, in addition to Public Liability, the business must secure Employers Liability Insurance. This can double the cost of insurance and can be the difference between a viable business and disaster.

Keeping business on track

A businessman who ran a go-karting company contacted Unlock after seeing the website. He had previously not been aware of the need to disclose his conviction, which had occurred some 14 years ago when he was a young man. Now a different person, and keen to do the right thing, he searched for quotes for the necessary insurances. He received quotes which ranged hugely, up to £5000, before securing cover through an Unlock listed broker for just over £700.

Innocent employees can be punished

When the Owner/Director of a multi million pound company was sent to prison, his employee's jobs were at risk. The inability to secure the insurances required to continue trading took the business to the brink of collapse. Insurance had to be secured quickly in order to prevent a cash flow disaster. It also had to be available at a reasonable rate, in order for the business to be sustainable. Through working with a broker on UNLOCK's panel, the Director was able to save the jobs of his entire workforce. He went on to begin offering work to other former offenders, creating a virtuous circle where a vicious one would have otherwise quickly developed.



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Insurance and the Internet

A report on the value of insurance aggregator websites
to people with unspent convictions



Executive Summary

There are 7.3 million people with previous convictions in the UK. People with unspent convictions and those that live with them are unable to secure home insurance through mainstream insurers. This can have serious emotional, social and economic consequences for the individual, their family and society as a whole.

The Rehabilitation of Offenders Act (1974) or 'ROA' sets a period of time, based on sentence, after which convictions do not have to be declared. A prison sentence of over 30 months must always be declared, a fine for five years from conviction.

The popularity of insurance aggregator websites has grown exponentially in the last few years, generating millions of pounds worth of profits. However, they have been criticised for focusing on price over protection. At the same time the percentage value of claims actually paid out by insurers has dropped significantly.

UNLOCK investigated aggregators using a theoretical customer to apply for home insurance from five leading sites. The customer had 4 year old conviction for non-payment of a fixed penalty notice, which had been issued to him for littering.

After a great deal of time, none of the aggregator sites were ultimately able to offer valid insurance to the customer. All of the sites referred to *any* convictions as opposed to *unspent* in their questions although two of the websites did mention the ROA if the customer clicked a "?" button. Two sites asked about convictions with no reference to the ROA. One website did not ask about convictions at all, despite its relevance to insurers. It simply assumed no convictions.

The aggregators offer a confusing picture to customers who have convictions. Lack of consideration for this client group can lead people with unspent convictions not to declare them, thereby resulting in the sale of a policy which does not meet the needs of the customer. Customers may only discover that they are not covered many years later in the event of claim, the very moment when they are relying on their insurer.

Insurance aggregators cannot change the fact that most underwriters have a policy of blanket exclusion towards people with unspent convictions and those living with them. However, they can make simple changes to their online process to ensure that they treat customers as fairly as possible.

Recommendations include; using an initial filter page at the start of the process, asking questions specifically about *unspent* convictions, highlighting the ROA and making clear referrals to organisations capable of offering further assistance.

Online aggregators have revolutionised the market place for insurance for many customers. However, for customers requiring non-standard insurance, specialist brokers remain the only viable option.

Reformed Offenders and Insurance

There are 7.3 million people on the Home Office's Offender Indexⁱⁱⁱ. However, only around 1% of these are in prison^{iv}. Only a handful of those in prison will never return to the community.

Under the Rehabilitation of Offenders Act (1974) all people convicted of an offence must serve a 'rehabilitation period' which starts from the point of conviction. During this period, convictions are 'unspent' and individuals must disclose them to relevant parties such as employers and insurers. After these periods, individuals are not required to disclose the conviction except in specific circumstances such as working with vulnerable people. The periods are many times longer than the actual sentence given to the individual.

Rehabilitation periods defined by the ROA (1974)

Sentence	Period (18+)
Prison/ YOI: 30 months or more	Forever
Prison/ YOI: 6 months- 30 months	10 years
Prison/ YOI: Less than 6 months	7 years
Community Service/ Probation	5 years
Fine/ Compensation Order	5 years
Absolute Discharge	6 months

All insurers consider unspent convictions as material facts. The vast majority of insurers will refuse or cancel any cover for people with unspent convictions or a policyholder living in the same home.

Many former offenders are not aware of the requirement to disclose unspent convictions due to a lack of advice from criminal justice agencies on the ROA and from the insurance industry on what is considered a material fact. This often leads individuals to believe they are covered, when in fact their policies are not valid.

The serious economic and emotional consequences for the individual and their families are obvious. Mortgages require buildings insurance. Many jobs are dependent on the individual being insured to drive. Self-employment opportunities and small businesses need various insurances in order to trade.

Since supporting the establishment of the first specialist broker dealing with these clients, UNLOCK has developed links with 9 brokers. The charity refers its members to these brokers, in order that they can benefit from a competitive quote.

Insurance Aggregators

In the past few years there has been exponential growth in the use of 'aggregator' websites within the UK's personal insurance market. The key selling point of these sites is that they allow the user to get instant competitive quotes from many sources despite having to enter their details only once.

The industry has invested heavily in this new channel, with considerable investment in television advertising and online discounts driving consumers towards it. In 2007 Confused.com gave 13 million quotes (up 43% on 2006) and made a profit of £36.7 million (up from £23.0 million in 2006)^v.

Such websites have been criticised for expediency and low prices at the expense of being thorough. At the same time people are increasingly finding that their home insurance claims are turned down. By more aggressively rejecting claims, insurers have driven the claims ratio down from 72% in 2000^{vi} to just 54% in 2006. That means for every £1 taken in premiums, only 60p is paid out in claims. This compares to around 78p for motor^{vii} and 80p for health insurance^{viii}.

The Research

This report outlines the findings of a simple investigation of the value of online aggregators to people with unspent convictions. A theoretical customer was created and each site was visited in turn to acquire quotes for home insurance, since this is the main areas of business for the aggregator sites and that of greatest concern to customers. Where brokers are unable to quote it is in the online context and may not necessarily reflect their offline practices and capabilities.

The Customer

- Sex: Male
- Age: 38 years old
- Property: 2 bed detached house in Trowbridge, Wiltshire
- Vehicle: Ford Focus LX 16V (1998-2004), 1.8 Litre, 5 Door, Petrol, Manual
- Conviction: Non-payment of Fixed Penalty Notice issued for litter in 2004
- Sentence: Fined £250 in 2004

The Websites

- www.confused.com
- www.moneysupermarket.com
- www.quotezone.co.uk
- www.comparethemarket.com
- www.gocompare.com

The Customer Experience



Immediately on applying for a quote, before any specific questions are asked, a general 'filter' page appears. This lists a significant number of questions, to which the customer must answer yes or no. The answer is set to yes as a default. The last question states:

"You or any person living in the home have never been convicted of any criminal convictions, and do not have any criminal prosecutions pending."

If the customer selects "no", the online process is stopped and they are asked to call a broker called Key Connect (a trading name of Heath Lambert Limited).

UNLOCK contacted Key Connect to establish whether they were able to organise insurance cover for people with unspent criminal convictions. The response was: -

"We work along the rehabilitation of offenders act, so therefore we would decline any criminal conviction that has not been spent."

Key Connect explained that when people with unspent convictions are referred to them, they do try to help them by giving them contact details of a specialist broker. They refer to one broker for home insurance and another for motor.

The Rehabilitation of Offenders Act (1974) does not *require* insurers to decline people with unspent convictions, only to disregard any spent convictions.

This is more helpful than simply refusing to help. However, customers are then at the mercy of one broker and do not get the benefit of any price comparison, the stated benefit of aggregator sites. Of these other brokers, Key Connect stated: -

"Now these companies are nothing to do with ourselves, it's just to help the customer obtain some level of cover. "

On applying for a quote, the process moves straight into answering specific questions, with no filter page. All quote details are entered with no questions regarding or mentioning of convictions. Once details have been entered, the following page includes a link to 'assumptions'. However, the customer is neither required nor directed them. Far from being stressed; the importance of the assumptions is played down with the assurance that "we make far fewer assumptions".


The screenshot shows the moneysupermarket.com website interface. At the top is the logo and tagline. Below is a navigation menu with categories: HOME, MONEY, INSURANCE, TRAVEL, MOTORING, GAS & ELECTRICITY, MOBILE PHONES, SHOPPING, BROADBAND, and COMMUNITIES & FORUMS. A secondary menu lists various services like car, home, life, travel, pet, bike, van, landlord, income, medical, breakdown, dental, business, mortgage, and heating. The main heading is 'Home Insurance', followed by a progress bar with four steps: 1 Property Details, 2 Applicant Details, 3 Cover Details (highlighted), and 4 Results. Below this is the section 'Getting your quotes...' with a thank you message and a link to 'assumptions'. It also includes a disclaimer about information transfer and a link to 'terms and conditions'. At the bottom are 'Back' and 'Continue' buttons.

If the customer does choose to click on the 'assumptions' hyperlink, the listed assumptions actually include:

- You have never had insurance refused, declined, declared null and void.
- You have not had special conditions imposed or have ever been declared bankrupt.
- **You have never had any convictions, pending prosecutions, or have been convicted of any offences (motoring or other).**
- You have not been liable for injury or damage to anyone else.

This essentially renders the site useless to people with convictions, as all the quotes given will assume no convictions. The customer then has to tackle each insurer's website individually.

Moneysupermarket.com – Top successful results for home insurance




HOME
MONEY
INSURANCE
TRAVEL
MOTORING
GAS & ELECTRICITY
MOBILE PHONES
SHOPPING
BROADBAND
COMMUNITIES & FORUMS


car heating
home
life
travel
pet
bike
van
landlord
income
medical
breakdown
dental
business
mortgage

Home Insurance


Property Details
Applicant Details
Cover Details
Results


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Tell us what you think about moneysupermarket.com

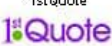









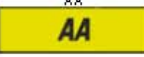
Add Feedback

Here are the quotes returned for your 2 bedroom detached house, cover type: buildings and contents, contents cover required: £30000, cost to rebuild property: £30000, Excess: £250, accidental damage: No.

[Back](#)

Buildings and Contents

Progress 100%

Provider	Annual premium	Monthly premium	Replacement locks	Flood cover	Freezer cover	Voluntary excess	Additional details & apply
	<u>£125.00</u>	£11.46 @ 10 months £22.90 deposit	✓	✓	✓	Building Excess : £250.00 Contents Excess : £250.00	Go To Site More Details
	<u>£125.00</u>	£11.46 @ 10 months £22.90 deposit	✓	✓	✓	Building Excess : £250.00 Contents Excess : £250.00	Go To Site More Details
	<u>£126.40</u>	£10.71 @ 11 months £25.28 deposit	✗	✓	✓	Building Excess : £200.00 Contents Excess : £200.00	Go To Site More Details
	<u>£164.04</u>	£15.24 @ 12 months £0.00 deposit	✓	✓	Check with insurer	Building Excess : £250.00 Contents Excess : £250.00	Go To Site More Details
	<u>£167.63</u>	£15.97 @ 11 months £16.76 deposit	✓	✓	✓	Building Excess : £250.00 Contents Excess : £250.00	Go To Site More Details Policy Summary
	<u>£187.92</u>	£20.98 @ 10 months £47.58 deposit	✓	✓	✓	Building Excess : £100.00 Contents Excess : £100.00	Go To Site More Details
	<u>£190.54</u>	£17.23 @ 10 months £39.10 deposit	✓	✓	✓	Building Excess : £100.00 Contents Excess : £100.00	Go To Site More Details
	<u>£192.77</u>	£17.42 @ 10 months £39.55 deposit	✓	✓	✓	Building Excess : £100.00 Contents Excess : £100.00	Go To Site More Details
	<u>£200.87</u>	£17.68 @ 10 months £40.17 deposit	✓	✓	Check with insurer	Building Excess : £250.00 Contents Excess : £250.00	Go To Site More Details Policy Summary
	<u>£204.90</u>	£18.49 @ 10 months £41.98 deposit	✓	✓	✓	Building Excess : £100.00 Contents Excess : £100.00	Go To Site More Details
	<u>£211.85</u>	£19.69 @ 11 months £21.19 deposit	✗	✓	✓	Building Excess : £250.00 Contents Excess : £250.00	Go To Site More Details

Quotes from moneysupermarket.com

1st Quote / Prestige

The customer is asked to confirm details passed from the aggregator. The final page before purchase is titled "Qualification for Acceptance". This page states: -

Neither you nor anyone living with you:

- *Have **sustained any non motoring convictions** and there are no pending prosecutions.*
- *Have ever had insurance cancelled, declined or had special terms imposed.*
- *Have been declared Bankrupt.*

Hence, at the final stage, the customer is forced to abandon the quote.

Home Quote Direct

There are several pages asking for confirmation of details provided previously but no mention of convictions.

A page entitled "Disclosure and Terms & Conditions" then includes;

What information should you disclose?

*It is your responsibility to provide complete and accurate information when you take out your policy, throughout the life of your policy and at renewal. All statements that you make must be full and accurate and **if you fail to disclose any material information this could invalidate your insurance, and part or all of a claim may not be paid.** If you are unsure about any matter you may contact us for guidance and you are advised to keep copies of all correspondence for your own protection.*

Once again, no mention of convictions specifically and no attempt is made to help the customer understand what constitutes 'material information'

Three policies are then offered:

1. Paragon
 - a. Policy summary: Yes
 - b. Policy full wording: Yes
 - c. References to convictions: None

2. Allianz
 - a. Policy summary: Yes
 - b. Policy full wording: No
 - c. References to convictions: Yes

Subject to acceptance criteria you can take out a policy as long as you permanently live in the UK. Properties in certain postcodes or applicants with certain occupations, previous claims or criminal convictions may not qualify in all circumstances.

3. Highway – No policy wording or even summary available
 - a. Policy summary: No
 - b. Policy full wording: No
 - c. References to convictions: n/a

The customer can then purchase cover via credit card and would assume that they are covered, despite not having had to disclose anything about their convictions.

On page 2, the question is asked:

Do any occupants have any criminal convictions or pending prosecutions?

This is followed by a drop down box: offering three options:


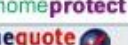
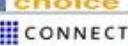
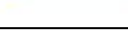
1. None
2. Motoring offences only
3. Other offences

Selecting 'other offences' results in only one broker being able to offer a quote: -



Please wait while we get your quotes. This can take up to 3 minutes.

Quotezone Quote Reference: HY9-96H

Broker	Insurer	Premium	Details	Link
	Paragon	£ 121.43	Click for more details or to apply	Details Apply
	1stquote can not quote due to convictions/pending prosecutions.			
	Homeprotect can not quote due to convictions/pending prosecutions.			
	One Quote Direct can not quote due to convictions/pending prosecutions.			
	Homequotedirect can not quote due to convictions/pending prosecutions.			
	Swinton can not quote due to convictions/pending prosecutions.			
	Direct Choice can not quote due to convictions/pending prosecutions.			
	Key Connect can not quote due to convictions/pending prosecutions.			

TESCO House Insurance
Enjoy a 50% discount when you get a quote by 30th April 2008.
www.TescoFinance.com
[More Info](#)

Cheaper Home Insurance
Get 12 months - pay for 9. Plus save 10% online - get a quote today.
www.directline.com
[More Info](#)

Home Quote Direct declares it, "can not quote due to convictions". However, if the customer had arrived with them through moneysupermarket.com, they could have arranged cover through Home Quote Direct without ever being asked.

Key Connect also "can not quote due to convictions", despite being the broker to which people with convictions are sent by Confused.com.

If the customer clicks on 'details' for the Quoteline Direct quote, they are given the following information: -

Quoteline Direct Quote Assumptions

In generating your Quoteline Direct insurance quote, some assumptions were made. You should read these assumptions and the statements which follow them before buying your insurance policy.

- 1. You do not require cover for frozen food.*
- 2. You do not require cover for cash/credit cards.*
- 3. You are a smoker.*
- 4. You do not own a dog.*

As Quoteline Direct's website has slightly different questions to ours, we have selected the closest match on their site for each question you answered on the quotezone system. Where this was not clear, we have taken Quoteline Direct's advice on what options to select.

So that you can be sure you purchase valid insurance, you should check and if necessary amend these answers with Quoteline Direct (online or by phone) before purchasing an insurance policy from them. If you do make changes, it may result in a change in the premium.

Clicking 'apply' forwards the customer to Quoteline Direct's website. The customer is asked to confirm the answers they gave on Quotezone.co.uk. There are no questions asked about the convictions declared by the customer on Quotezone.co.uk. The site ultimately produces 3 quotes:

- Paragon (with a £200 excess)
- Paragon (with a £150 excess)
- Heath Lambert

Whichever is selected, the following page displays a great deal of information including: -

- Summary of cover
- Summary of information provided
- Link to Key Facts Document
- Link to Terms of Business
- Additional information section
- Is this policy suitable for your circumstances?

Within "Is this policy suitable for your circumstances?" several assumptions are mentioned including:

In order to reduce the number of questions that you have to answer, we have made certain assumptions about you and the cover that you require:

- *No one in the property has ever been refused insurance, had terms applied by any previous insurer, got any unspent criminal convictions, has been charged with a criminal offence but has not yet been convicted, been declared bankrupt or had any unsatisfied CCJ's;*

Then when the customer is unable to agree to this statement:

*You can not continue unless you agree to the suitability of the policy. If you are unable to agree to these statements then please call us on **0800 970 1456***

Within the "Additional information section" the following is stated:

I would like to make you aware of some extra information regarding my policy

However, there is no direction as to what this information might be and the previous statement has already precluded convictions. While the customer could choose to input details of their convictions in this section, they would have to agree to the fact that they had no convictions in order for this information to be submitted.

Convictions are not mentioned until the very last section: -

Has anyone living in the property ever been convicted of, or is awaiting trial for, any crime other than motoring offences?

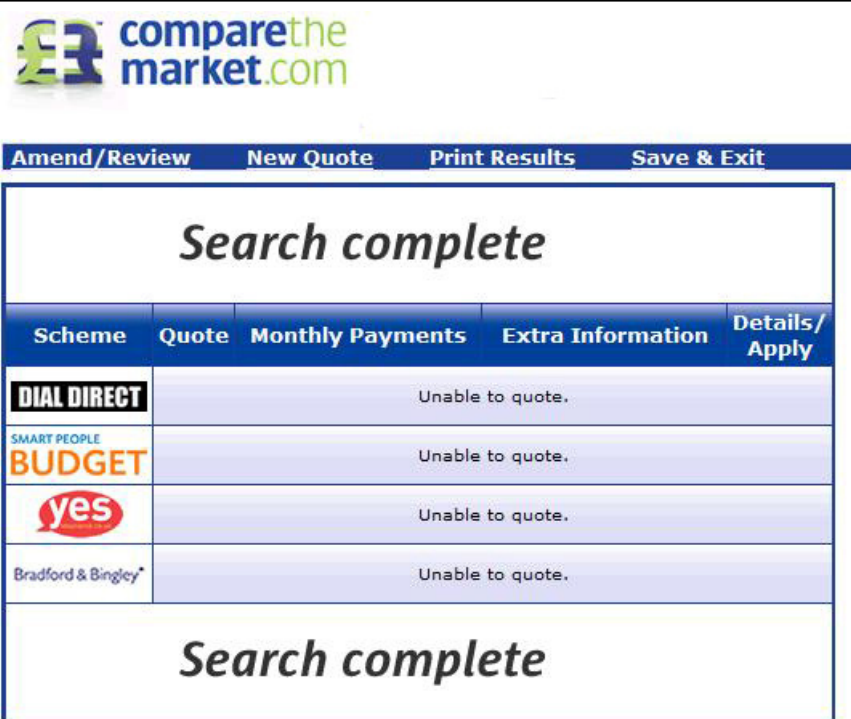
The customer is offered a drop down box with the options: -

1. Yes
2. No
3. Unsure

There is also a "?" button which produces the message: -

*Convictions considered to be spent under the Rehabilitation of Offenders Act 1974 do **not** need to be disclosed.*

If the customer states 'Yes', the results are as follows: -



The screenshot shows the comparethemarket.com interface. At the top, there are navigation links: Amend/Review, New Quote, Print Results, and Save & Exit. Below these is a large box with the text "Search complete". Underneath is a table with the following structure:

Scheme	Quote	Monthly Payments	Extra Information	Details/Apply
DIAL DIRECT			Unable to quote.	
SMART PEOPLE BUDGET			Unable to quote.	
yes			Unable to quote.	
Bradford & Bingley*			Unable to quote.	

Below the table is another large box with the text "Search complete".



Convictions are not mentioned until the last page: -

Does anyone at the property have any criminal convictions (inc pending)

There is also a "?" button which produces the message: -

Convictions considered to be spent under the Rehabilitation of Offenders Act 1974 do **not** need to be disclosed.

If the customer states 'Yes', the results are as follows: -

The screenshot shows the gocompare.com interface. At the top left is the gocompare.com logo. At the top right is a button labeled 'edit / new quote'. Below the logo is a 'Requested details' box containing the text: 'You requested buildings and contents cover for a 2 bedroom home at BA14 7GW. Need more information? Hover over the information icons below to find out more about the options available.' To the right is a 'Customise your quote' box containing the text: 'Sorry, unable to find any prices. Please see the reasons below.' Below these boxes is a message: 'Finished searching for your prices. No quotes found.' A table of search results follows, with each row representing a different insurance provider. Each row contains the provider's logo, a message indicating that a quote cannot be provided for criminal convictions, and a red 'X' icon.

Provider	Reason for no quote	Status
Bradford & Bingley*	Cannot quote for ariminal convictions	×
SMART PEOPLE BUDGET	Cannot quote for ariminal convictions	×
CoverDirect	Cannot quote for ariminal convictions	×
directchoice	Cannot quote for ariminal convictions	×
ENDSLEIGH	Cannot quote for ariminal convictions	×
esure	Unable to quote online.	×
homequote direct	Cannot quote for ariminal convictions	×
insure.co.uk	Cannot quote for ariminal convictions	×
insurepink	Cannot quote for ariminal convictions	×
KEY CONNECT	Cannot quote for ariminal convictions	×
KwikFit INSURANCE	Cannot quote for ariminal convictions	×



Cannot quote for criminal convictions

✗



Cannot quote for criminal convictions

✗



Cannot quote for criminal convictions

✗



Cannot quote for criminal convictions

✗



Cannot quote for criminal convictions

✗



Cannot quote for criminal convictions

✗



Cannot quote for criminal convictions

✗



Cannot quote for criminal convictions

✗



Cannot quote for criminal convictions

✗



Cannot quote for criminal convictions

✗



Cannot quote for criminal convictions

✗



Unable to quote online.

✗



Cannot quote for your details.

✗



Cannot quote for criminal convictions

✗



Cannot quote for criminal convictions

✗



Cannot quote for criminal convictions

✗

Results

None of the insurance aggregator websites in this research can offer a good service to people with unspent convictions.

The extent to which insurance aggregators have regard to the Rehabilitation of Offenders Act (1974) is variable.

All sites which asked customers about convictions asked whether they had "*any convictions or pending prosecutions*" as opposed to making clear that they were asking only for *unspent convictions*.

The sites can be broken down into three clear categories as regards to the ROA; those which: -

1. Ask a question and mention the ROA if the user clicks on a "?" button
2. Ask a question but without any mention or regard for the ROA
3. Ask no questions regarding convictions at all

Category 1

Gocompare.com and **Comparethemarket.com** share the 'highest' category, advising customers who choose to click the "?" that convictions considered to be spent under the Rehabilitation of Offenders Act 1974 do not need to be disclosed. Unfortunately for the customer, the price of honesty is no insurers offer quotes.

Category 2

Confused.com and Quotezone.co.uk both ask questions without reference to the ROA but the structures of the two sites are quite distinct can lead to very different outcomes.

Confused.com demonstrates good practice by having a filter page first. The negative elements include; a high number of questions on the filter page, convictions are asked about at the very bottom of the page, there is no mention of the ROA and the answer is set to 'no convictions' by default. A customer indicating a conviction is also almost encouraged to change their mind with an "if you are sure" message. This could catch out the 'lazy' reader as well people with genuine issues which affect their ability to read or concentrate.

On balance it is reasonable to expect the customer to take some responsibility with regard to financial products and Confused.com does highlight convictions earlier in the process than the other sites. There should be a reference to the ROA but this filtering saves the customer a great deal of time, effort and frustration as it becomes clear that they will not be offered insurance straight away and provides an opportunity for referral to a specialist broker.

The Confused.com referral process falls down when that broker cannot offer the customer insurance either. It seems that indicating any 'non-standard' needs on the filter page results in referral to Key Connect. This makes sense in terms of simplicity for Confused.com but not for the customer or for Key Connect who must spend time dealing with enquiries that do not result in business for them.

Currently it is down to the goodwill of Key Connect that customers using Confused.com ultimately may be able to get a quote at all. However, this is not a good service for the customer as they will have wasted time and since they are not offered any choice they are vulnerable to very high prices.

Quotezone.co.uk starts well, asking about convictions relatively early in the process and having done so, still producing a quote. Only one quote is offered, with the seven other companies listed stating that they are unable to quote due to convictions. This means the customer is likely to be confident in proceeding as they will naturally assume that each company has been informed of their convictions.

Further confidence develops as the quoting companies assumptions are displayed on the screen, with no mention of convictions. Within this statement the customer is advised that they should check details with the quoting company, however the suggestion is that only the details relevant to the stated assumptions should be checked.

Despite checking many other details, the quoting company (Quoteline Direct) does not ask a further question about convictions. It goes on to provide three quotes from two providers, with the customer happy that they have declared their conviction earlier in the process.

The final stage of the process is either very frustrating or very dangerous for the customer. A mass of information is presented to the customer, much of it a requirement under financial services regulations. The inevitable question is asked, again without reference to the ROA, "*No one in the property has any unspent criminal convictions [or] has been charged with a criminal offence but has not yet been convicted.*"

Some customers will take the time to read through this mass of information. They will suffer the frustration of discovering that despite a considerable amount of time spent and the apparent promise of insurance, their conviction yet again results in exclusion from the market.

Many customers will not take the time or even be able to read and understand all the regulatory information and disclaimers. They will agree to the statements, which they may regard as irrelevant, since they have disclosed their conviction and consider themselves otherwise 'standard'. They will purchase the insurance believing that they are now covered, which they are not. These customers may only find out this fact after a substantial claim; the very point at which they can do nothing about it.

Category 3

Moneysupermarket.com offers the poorest and most potentially dangerous service to people with convictions and their families. It is the only site which asks no questions about convictions at all. Rather, the fact that the customer has 'no convictions' is set as a basic assumption of the site. The customer does not even have an opportunity to discover this until after they have entered all their property and personal details.

Even at this late stage, discovery of this assumption is dependent on the customer being savvy enough to know that blue underlined text is a hyperlink and that checking the assumptions of the website are of fundamental importance. Far from requiring the individual to read the assumptions, Moneysupermarket.com does not even *suggest* that they read them. Yet this would be simple as on the very same page the customer is advised that by proceeding further they are accepting the hyperlinked 'terms and conditions' of the site.

Yet again the customer faces only unfavourable possibilities. If they do read the assumptions, they will quickly discover that the site is essentially useless to them. If they do not read the assumptions, they will run in to the same problems on every quote they try to follow up, wasting a great deal of time and becoming very frustrated.

Initial Recommendations

1. All aggregators should use a filter page as the first stage of the process
2. When asking about convictions, the question should read, *“Do you, or anyone in your household, have any unspent criminal convictions as defined by the Rehabilitation of Offenders Act (1974) or pending prosecutions.”*
3. Customers should be directed towards a source of information and support regarding the Rehabilitation of Offenders Act wherever it is mentioned
4. Customers indicating a conviction should be advised that due to their circumstances insurers are unable to provide a quote online
5. Customers should then be directed to advocacy organisations such as UNLOCK and industry groups such as BIBA, who are able to put them in touch with the broadest possible range of specialist brokers

Conclusion

Whilst some online aggregators may have considerable value in helping the a customer with ‘standard’ needs get the best value home insurance, the same cannot be said for people with unspent convictions or those in their households.

Arrangements with single specialist brokers may offer convenience for the aggregator and a good opportunity for the broker but are not necessarily in the customer’s best interest, irrespective of whether they are formal or ad-hoc.

Aggregators could uphold their stated values by making simple amendments to their sites in order to refer customers with unspent convictions to a broad and competitive range of reputable specialist brokers.

It must be recognised that online aggregators exist within a wider insurance environment in which the state of both law and practice require much greater clarity, if not a thorough overhaul. They are not ultimately responsible for the lack of insurance provision in this section of the market and if it was freely available they would no doubt sell it. As such, this report can only make short-term recommendations, which aggregators themselves are able to put into place with immediate effect.

The longer term future ability of aggregators to offer a direct service to people with unspent convictions will be defined by the extent to which mainstream underwriters open up to this market and the method by which they ‘risk-price’ each applicant. It is likely that new entrants to the market would require a large amount of information regarding the circumstances of the conviction.

Hence, for the foreseeable future, specialist brokers remain the only viable option for people with convictions. It is the responsibility of all organisations involved the insurance industry, consumer advocates and relevant government departments, to make this clear to all consumers.

References

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