

The complaint

Mr H and Mr H complain that Aston Lark Limited failed to ensure that a complimentary desktop valuation of their property was undertaken by the underwriter of their home insurance policy and that this led to their home being underinsured during the 2019-2020 policy year.

What happened

Mr H and Mrs H contacted Aston Lark (an insurance broker) in January 2019 in order to arrange their home insurance for the coming year having decided to let the policy with their current insurer lapse. Following the phone call, Aston Lark emailed Mr H and Mr H to say that it'd set them up on their system and had approached its panel of insurers based on a rebuild cost of £337,500 and a contents sum insured of £100,000. In the email it stated: *"if you would like to try and find a more accurate rebuild figure I would recommend using the attached link..."*. The link was to the Association of British Insurers' (the 'ABI') building costs information service which contains a rebuild calculator for consumers. The email went on to say that Aston Lark was intending to approach an insurer that offered a desktop valuation.

Aston Lark produced a presentation document for Mr H and Mr H which included the information it'd asked them in relation to obtaining cover. Under the section pertaining to buildings a rebuild value of £337,500 was included. Cover was arranged with an insurer for £917.03 that included a complimentary desktop valuation of their property.

The day after inception, Aston Lark emailed Mr H and Mr H to say that the insurer had asked for their telephone number so its surveyor team could contact them to discuss the valuation. In the same email, Aston Lark attached its covering letter, policy schedule and statement of fact. The covering letter stated that time should be taken to read through the enclosed schedule and statement of fact. The schedule included a rebuild cost of £337,500. On the same day Aston Lark gave Mr H's mobile phone number to the insurer and asked it to arrange the valuation and to confirm the turnaround time for doing so in order it could keep Mr H up to speed. Three days later the insurer let Aston Lark know that it'd set the survey up but its surveyors had just asked if it could ask if Mr H and Mr H were able to submit some information (floor plans, images, brochure) about the property because it was so new it wasn't appearing on any of its systems.

Aston Lark forgot to ask Mr H and Mr H for the information and failed to reply to the insurer. The valuation was never conducted.

A year later Mr H and Mr H renewed their policy through Aston Lark (albeit with a different insurer). Around the same time they had been in contact with their mortgage lender and their rebuild cost was discussed; Mr H and Mr H were surprised that their mortgage lender considered it to be much higher than £337,500. Mr H and Mr H contacted Aston Lark to complain. It was discovered that the desktop valuation from the previous year had never been carried out. They said they wanted their buildings rebuild valuation amended immediately, a valuation paid for and their business transferred to another branch.

Aston Lark said it was no longer possible to arrange a valuation with the previous insurer as that policy had ended. But it recommended a third-party surveyor and offered to pay a contribution towards the cost of Mr H and Mr H getting their own valuation done. Mr H and Mr H said they wanted an amount at least equivalent to the cost of the desktop valuation that hadn't been done the previous year. They also said they wanted to know the implications of being underinsured. In response, Aston Lark said it would arrange for a desktop survey to be carried out at no cost to Mr H and Mr H. Mr H and Mr H said they had lost confidence in Aston Lark so they were wanted to seek insurance elsewhere. They asked for their policy to be cancelled and their premium refunded. Aston Lark actioned their request and cancelled their policy on 19 February 2020, refunding them £690.88. Mr H and Mr H also said there had been a substantial breach in the agreement between them for which they were seeking compensation equivalent to the premium they'd paid (of £917.03) during the previous year.

Aston Lark issued its final response to Mr H and Mr H's complaint on 11 March 2020. It apologised for failing to pass on the insurer's request for further information about their property. It said that in light of its error it'd offered to cover the full cost of a separate valuation for them (this came to £102). Aston Lark said it didn't accept they had been led to believe that the rebuild cost had been based on a completed valuation. Aston Lark said it didn't understand what '*breach*' Mr H and Mr H were referring to but said it was their responsibility to make sure any sums insured were correct.

Mr H and Mr H said that not all their queries had been addressed. They said Aston Lark had been contracted to do the valuation and had failed to do so despite being remunerated for its service. They said they wanted to know why the valuation wasn't carried out prior to the policy's inception so that the correct rebuild cost was included. Aston Lark said in response that it fully accepted it should've done more to ensure the survey was carried out and it had since paid for one to be done. But, it said, it didn't understand why they believed that the survey had been carried out because it is the insurer that pays for it once the policy incepts.

Unhappy with the outcome of Aston Lark's investigations, Mr H and Mr H complained to this service. They said they also had to question Aston Lark's motives for its behaviour. Our investigator looked into the complaint but didn't recommend that it was upheld. She thought that Aston Lark had handled Mr H and Mr H's complaint fairly and reasonably so she said she couldn't fairly ask it to do any more.

Mr H and Mr H disagreed with our investigator's findings and asked for their complaint to be referred for an ombudsman's decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It's not the role of this service to tell a financial business how it should be running itself. Nor is it our role to punish a business or tell it to change its processes. We are here to fairly and reasonably investigate and resolve individual consumer complaints. It's my role to look at how Aston Lark has handled Mr H and Mr H's complaint and decide if it has treated them fairly and reasonably in the process. Having considered all the available evidence, I have to say that I think it has. I'll explain why.

Mr H and Mr H had justifiable cause for complaint. One of the reasons they'd chosen the particular quote from the insurer they ultimately selected in January 2019 is that it included a complimentary desktop valuation of their property. Aston Lark has admitted that it failed to ask Mr H and Mr H for the information the insurer needed prior to carrying out the valuation and that, consequently, the valuation never occurred.

So there is no doubt that Aston Lark was at fault. But I have to decide whether I think its response to discovering that it was, was fair and reasonable in all the circumstances. I can see that Aston Lark apologised to Mr H and Mr H and paid for them to have a desktop valuation of their property carried out. I can see that it has fully accepted that it should've done more to ensure the valuation was carried out. But I think that Aston Lark's response to Mr H and Mr H's complaint is a fair and reasonable one in all the circumstances and is in line with what this service would expect of an insurer following any similar complaint.

I've seen no evidence that Aston Lark was 'contracted' to carry out the valuation as suggested by Mr H and Mr H; an administration, or service, error certainly occurred, but I've seen no evidence of a 'breach of contract'.

I don't doubt that Mr H and Mr H could've assumed that the desktop valuation had been undertaken. They said they thought the insurer could undertake it remotely. That's not an unreasonable assumption to have made. Unfortunately the insurer did need to contact them though and, due to Aston Lark's error, the valuation never happened.

But I can't agree that they were led to believe that the rebuild cost cited on their policy had been based on a completed valuation. That's because I can see from an email prior to Aston Lark finding the policy Mr H and Mr H were ultimately to purchase, that the rebuild cost of £337,500 was what it intended to base its search on. So, it's reasonable to assume that was what was agreed between them. And that was before any possible free valuation had been offered.

In addition, I can see that the ABI's consumer building cost tool was sent to Mr H and Mr H by Aston Lark soon after their initial discussion (and prior to the quote being offered and accepted); so they were able to use that to calculate their property's rebuild cost if they wanted. It was up to them to make sure they were happy with the sums insured included on their policy. I am satisfied, from the evidence available, that Aston Lark made it clear what rebuild cost it was using to obtain quotes and that, if Mr H and Mr H wanted an up to date costing they could use the ABI calculator. As the rebuild cost originally discussed was used (and that cost wasn't based on any desktop valuation), I'm unable to agree that the figure could've been based on a completed desk top valuation.

So, I'm satisfied Aston Lark made it clear Mr H and Mr H should ensure the information was accurate and gave them the opportunity the check the valuation figure was correct when they took out the policy. I'm unable to reasonably agree that Aston Lark have made an error, or provided a poor level of service, by listing the rebuild cost as £337,500.

Nor can I agree with Mr H and Mr H that the free valuation should've occurred before inception so an accurate rebuild cost could be included in the policy. The desktop valuation was provided by the insurer on a complimentary basis. For the insurer there will have been an associated cost which, understandably, it would be reluctant to incur until after it was certain the policy was to incept. So I don't think it's reasonable to expect an insurer to provide a free valuation before a policy has been taken out. Any insurer offering such a service is likely to want to confirm cover before it pays for a survey to be done. So I don't think Aston Lark was at fault for not arranging the survey prior to inception or for not basing the rebuild cost on its outcome.

I accept that it must've been disappointing and worrying for Mr H and Mr H to be told by their mortgage lender that their rebuild cost was much higher than what they were insured for. And I appreciate that they would've been concerned at the potential implications this could've had had they needed to have made a claim. But I can't hold Aston Lark responsible for something that never happened. Fortunately there was no need to make a claim during

that policy year so Mr H and Mr H suffered no detriment as a consequence of being underinsured. I can't make Aston Lark compensate them for something that didn't happen.

After Mr H and Mr H became aware that the valuation hadn't happened, I can see they contacted Aston Lark to cancel their policy. That was their choice to make but I can see Aston Lark didn't penalise them financially for doing so (for example by charging a cancellation fee), and I understand they were able switch to another insurance provider without any difficulties.

I note Mr H and Mr H's reservations about Aston Clark's motives in providing them with their insurance policy. But I haven't seen any evidence to lead me to conclude that their motive for arranging the cover was in order to sell them a service which wasn't covered by their policy.

So whilst I appreciate it will come as a disappointment to Mr H and Mr H, I'm unable to uphold their complaint. I think that Aston Lark dealt with their complaint fairly and reasonably by admitting it was at fault, apologising, paying for them to have a desktop valuation of their property and not charging them a cancellation fee on cancelling their policy. It follows that I can't reasonably or fairly require Aston Lark to do any more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mr H to accept or reject my decision before 13 October 2021.

Claire Woollerson
Ombudsman