

## **The complaint**

Mr P complains Brightside Insurance Services Limited trading as One Insurance Solution (Brightside) mis-sold him three buildings insurance policies.

## **What happened**

Mr P took out three buildings insurance policies through Brightside over three unoccupied properties he was renovating.

Mr P says he made it clear in phone calls to Brightside when he bought the policies he wanted cover for loss or damage to the properties due to arson. And he says Brightside told him his properties had the benefit of this cover.

But a year later, when the policies came up for renewal, Brightside told Mr P his properties hadn't been covered for loss or damage due to arson.

Mr P hasn't had a fire of any kind at any of his insured properties, so he hasn't had to make a claim. But he says loss or damage due to arson was the main risk he'd wanted covered. And since Brightside has now told him his properties weren't covered, he says the original policies were mis-sold and he wants his premiums refunded.

When Mr P complained to Brightside about this, it offered him £50 in compensation for the distress and inconvenience its delays in dealing with his complaint had caused him. But Brightside said it hadn't made any errors in arranging Mr P's insurance. It said Mr P hadn't had any financial loss, he'd got the level of cover he'd chosen and paid for and wasn't due a refund.

Mr P then brought his complaint to us. The investigator who looked at it didn't think Brightside needed to do anything more. He thought it was fair and reasonable of Brightside to pay Mr P £50 for the distress and inconvenience its delay in handling his complaint had caused him. Our investigator didn't think, on balance, Brightside had mis-sold the policies. He thought it was Mr P's responsibility to check the cover he was getting met his needs.

Unhappy with this outcome, Mr P has asked for an ombudsman to decide his complaint. In my provisional decision of 19 January 2022, I explained why I didn't think the policies had been mis-sold but I did think Mr P had been given incorrect information when he came to renew them. Mr P doesn't accept my provisional decision, saying he still thinks Brightside mis-sold him the policies. Brightside says, after further investigation, it accepts my provisional decision. So Mr P's complaint has now come to me for a final 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.

Having done so, I've decided to uphold Mr P's complaint. That's because, as I said in my provisional decision, I think Brightside gave Mr P inaccurate information about what his properties were insured for when he came to renew the policies. As I explained in my

provisional decision, I think this has caused Mr P distress and inconvenience. In that decision, I said:

*“So far in this complaint, the main focus has been on what was or wasn’t said in phone calls between Mr P and Brightside on the day he bought the policies. And, especially given the differing information Mr P and Brightside have given us about them, and the importance both Mr P and Brightside attach to them, I think I should give my current thoughts on what I think is likely to have happened on that day, based on the information I have.*

*Mr P says when he phoned Brightside to discuss the policy quotes he’d got online, Brightside told him his properties would be insured for loss or damage due to arson. Brightside says it didn’t tell Mr P this; it says he would only have been insured for loss or damage due to arson if he’d taken out malicious damage cover (which he didn’t).*

*Mr P’s phone bill shows he made three phone calls to Brightside on the day he bought the policies. Brightside has sent us two call recordings from that day. But only one (the first call of the day) was made by Mr P. The other – the final call of the day, in which Mr P bought the three policies – was an outgoing call made by Brightside. Brightside says it has no record of the other two calls Mr P made in between the first and last calls. It says this could be because Mr P made them but didn’t get through to a representative.*

*I’ve listened to the two call recordings Brightside has sent us. In the first, Brightside gave Mr P quotes for three different levels of cover. These quotes were from two different insurers. Neither of these insurers was the one Mr P ultimately insured his properties with. Cover for arson wasn’t discussed in this call. At the end of it, Mr P remained undecided about the level of cover he wanted. So Brightside agreed to email Mr P the policy wordings so he could check everything over.*

*In the second call recording Brightside has sent us, things had moved on. Mr P had already decided on a medium level of cover. And the name of the insurer with whom he ended up taking out cover was referred to, although cover for arson wasn’t discussed.*

*In listening to these two calls, it’s clear to me Mr P had made some decisions about the insurance cover he wanted in between them. And I think it’s likely he made those decisions following other/another conversation(s) with Brightside (whether by phone or email or both). If I’m right about this, I don’t (of course) know the substance of the conversation(s) – although I acknowledge Mr P says Brightside told him at some point that day that his properties were covered for loss or damage due to arson.*

*But, in the end, and based on what I’ve seen so far, I don’t think the phone calls (or any other communications) on the day Brightside sold Mr P the policies are material to the outcome of this complaint. That’s because we recently asked Brightside for a copy of the policy document that contained the full terms and conditions of Mr P’s insurance. Looking at this document, alongside Mr P’s policy schedules, I think if Mr P had had a fire at one of the insured properties, his policies would’ve given him cover for any loss or damage that occurred, no matter how the fire started.*

*The policy document says Mr P’s properties would be covered for (among other things) loss or damage due to “Fire, smoke damage, lightning, explosion or earthquake”. “Fire” isn’t defined in the policy document. And there’s only one specific exclusion that applies to it (for loss or damage from any gradually operating cause). The policy document also has a general exclusion for any loss or damage that’s a result of a deliberate act by Mr P (and any partner or family members permanently living with him).*

*Brightside’s position throughout this complaint has been that, if Mr P had wanted cover for*

arson, he'd have needed to take cover for "malicious damage" (which he didn't).

*But, in my view, as long as it wasn't Mr P's (or his family's) act, if there had been a fire at one of Mr P's insured parties – regardless of how it started – he'd have been insured for any loss or damage caused by it (as long as it wasn't from a gradually operating cause).*

*Also, as an aside, Mr P's policy document says cover for malicious damage isn't available if his properties are "unoccupied" (as defined in the policy document). So with this particular policy, given that Mr P's properties were unoccupied, I don't think he'd have been able to take out malicious damage cover even if he'd asked to.*

*From all of this, it follows that I don't think Mr P was mis-sold the policies when he bought them. So I don't think it would be fair and reasonable to direct Brightside to refund Mr P his premiums.*

*But, as I've already said, based on what I've seen so far, I do think Brightside failed to give Mr P the correct information about his cover when the policies came to renew. Mr P says it was in a call with Brightside almost a year later that he was told he'd only have been covered for arson if he'd chosen to take out malicious damage cover at the outset. Brightside hasn't been able to give us a copy of this call recording, although it has shown us a screenshot that outlines a discussion along these lines. And, as I've said, it's been Brightside's position throughout that Mr P's properties would only have been insured for arson if he'd asked for malicious damage cover.*

*I think Brightside's failure to give Mr P accurate information about his level of cover both when he came to renew the policies, and subsequently during the course of his complaint, has caused Mr P distress and inconvenience. And that's why I intend to uphold his complaint.*

*When Mr P first brought his complaint to us, he said Brightside's failure to deal with this matter had caused him "great stress and aggravation" in the context of his existing poor health. And he says arranging insurance now causes him great anxiety. Brightside has offered Mr P £50 for the distress and inconvenience its delay in dealing with his complaint caused him. I think that's fair and reasonable. In addition to this, because of the distress and inconvenience Brightside has caused Mr P by giving him what I think is inaccurate information about his level of cover when he came to renew, I intend to direct Brightside to pay him an additional £100 in compensation."*

*As I've already said, Brightside has accepted my provisional decision but Mr P hasn't. Mr P asks if his underwriter has confirmed he was covered for arson – he says he's very sure that if he'd suffered loss by arson his insurer would've turned down any claim he made. He also says this is a "hugely important point not just for me, but potentially for other policyholders who could very easily find themselves trapped with inadequate cover for catastrophic loss trying to fight a large insurance company who would seek to evade liability through their own interpretation of what types of Fire they were insuring against."*

Our role at this service is to decide individual complaints based on their specific facts and circumstances. Mr P has complained about how Brightside sold him his three policies. So that's all I can look at here. And for the reasons I've given in my provisional decision – which Brightside has now accepted and which now form part of this final decision – I don't think the policies were mis-sold when Mr P took them out.

We haven't contacted Mr P's insurer about its interpretation of "fire". We'd only have been likely to do this if Mr P had complained about it declining a claim for fire caused by arson (and Mr P hasn't made a claim).

I understand Mr P has a concern about how the insurance industry generally interprets “fire” in policies like the ones he took out through Brightside. But his concern is a wider conduct of business one. As such, it is more a matter for the Financial Conduct Authority as the regulator for the insurance industry to consider (if it thinks it appropriate), than for our service to give a general opinion on.

### **My final decision**

For the reasons I’ve given, I uphold Mr P’s complaint and direct Brightside Insurance Services Limited trading as One Insurance Solution to pay Mr P an additional £100 for the distress and inconvenience it has caused him (that is, in addition to the £50 it has already offered him).

Brightside Insurance Services Limited trading as One Insurance Solution must pay this compensation within 28 days of the date on which we tell it Mr P accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr P to accept or reject my decision before 24 March 2022.

Jane Gallacher  
**Ombudsman**