

## **The complaint**

Mr S complains on behalf of a limited company, who I'll refer to as T, about how CETA Insurance Limited (CETA) handled the administration of its business insurance policy.

## **What happened**

T has a business insurance policy arranged through CETA. In August 2020 the business suffered a burglary. Mr S complained about the insurer's handling of the claim. The claim was ongoing in July 2022 and has been subject to a separate complaint with this service. I mention the claim here because I think it's pertinent to T's complaint about how CETA handled its insurance policy.

But it's important that I say this complaint only deals with matters about how CETA administered T's policy, and specifically about how CETA dealt with the renewal of it.

CETA organise T's policy through another company I'll refer to as G. G is also a broker and it, in turn, brokes T's policy to an insurer. G's system collects the premiums.

T's policy had been placed with CETA, via G, to an insurer for the past few years. It renewed apparently as normal in June 2020.

In August 2020 Mr S notified CETA of a burglary and claimed under the business policy. It emerged that no premium had been collected for the insurance year 2020-21, so T made full payment of the premium in October 2020 and the claim was handled.

CETA have said that the reason the premium hadn't been collected correctly in 2020 was the fault of G, whose system had issued an incorrect renewal offering the wrong payment details.

In June 2021 T's policy renewal became due for renewal. G was supposed to send out the renewal invitation but failed to do so as it was having some systems issues at the time.

Cover was extended for an extra two weeks free of charge because of these issues, and this was communicated to T.

By the end of the extra two week period, T had obtained cover elsewhere because Mr S was unhappy with CETA's service.

Because Mr S was unhappy with this late invitation to renew, and the claim which was ongoing, he complained to CETA. CETA said it wasn't able to uphold his complaint. It said that renewal and premium collection were the responsibility of G, so CETA couldn't be at fault.

Mr S remained unhappy, so he brought his complaint to this service. Our investigator issued a view and said she didn't think CETA had done anything wrong. Mr S didn't agree with the view and asked for his complaint to be reviewed by an ombudsman. So it has been passed to me to make a final decision.

I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

*I have said above that matters surrounding the claim have been dealt with under a separate complaint. This complaint can only consider the impact of the 2021 policy renewal.*

*At renewal in 2021 I can see that G failed to handle T's renewal satisfactorily by not issuing a renewal invitation in good time. CETA did make arrangements for T's policy to be extended until G could arrange renewal, and I am satisfied this was a reasonable attempt at minimising disruption to T.*

*But at this stage, Mr S was extremely dissatisfied with CETA's administration processes and would have needed to secure alternative cover for T elsewhere, at short notice.*

*CETA didn't uphold T's complaint saying that it wasn't authorised to collect premiums and the responsibility of issuing renewal was G's. And in its final response to T, CETA also says*

*"we simply deal with the administration"*

*It seems to me that tasks like offering renewal and collecting premiums are things I would think of as being "administration" of a policy.*

*In Mr S's evidence to this service he makes this very important point:*

*As far as I understand, CETA is my broker and [redacted] is the insurer. If either party use G, that is their responsibility not mine. If G are to blame for the claims handling delays and the renewal, why is no action being taken against them?*

*I agree with Mr S here. T places its insurance business with its broker, CETA, so I don't think it's fair and reasonable for CETA to then say it cannot take responsibility for some basic administrative actions to do with the policy.*

*CETA's arrangements with another party are not the fault of T, and I don't think it's fair of CETA to deny responsibility for a problem, effectively passing it to another organisation which isn't connected to T.*

*Mr S has explained to this service his frustration and disappointment with the administration of T's policy, but I'm only able to consider the inconvenience caused to T as part of this complaint. In the circumstances, I consider a payment of £200 to be fair compensation for CETA's poor administration of T's policy.*

## **Responses to my provisional decision**

Mr S accepted my provisional decision but corrected a point I'd made about the August 2020 claim, which was still ongoing at the time he wrote.

CETA responded saying that its terms of business set out how it was able to trade between its customers and insurers. It explained what had taken place in 2020, and it apologised for the inconvenience it had caused. It didn't make a direct comment about the administration of the 2021 renewal.

## **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.

I've noted CETA's points about the way it trades with its insurer partners, but my point in my provisional decision stands:

*"CETA's arrangements with another party are not the fault of T, and I don't think it's fair of CETA to deny responsibility for a problem, effectively passing it to another organisation which isn't connected to T."*

As CETA didn't have anything to add, and Mr S on behalf of T agreed with my provisional decision, my final decision and reasoning remains the same as in my provisional decision.

### **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint. I require CETA Insurance Limited to pay T £200 for its inconvenience.

CETA must pay the compensation within 28 days of the date on which we tell it T 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 T to accept or reject my decision before 25 October 2022.

Richard Sowden  
**Ombudsman**