

The complaint

A company which I'll refer to as "W" is unhappy Finch Commercial Insurance Brokers Limited directed it to move its business protection insurance policy to a new broker during the policy year. W says this caused it financial loss and inconvenience.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on providing the reasons for my decision.

What I've decided – and why

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Having done so I agree with the conclusion reached by the investigator that the case should be upheld. I do so for the following reasons:

- While it is clear from the correspondence there was a disagreement between the parties, I have seen no evidence that either was rude to the other. As each party alleges.
- It is clear W indicated it would move its business to a new broker from the next renewal of the policy however it was Finch that asked them to do so as soon as possible.
- While it is for a business to choose who it wishes to deal with, in this instance I think it would have been reasonable for Finch to have explored other ways of communicating with W in the first instance or whether there was another way in which its account could be managed. Finch has also not explained why it didn't just let the policies run until renewal, as generally, unless there is a claim, limited interaction is required between the parties during the year.
- By taking the action it did, Finch put W in a situation where in order to move its business to a new broker and have no further dealings with Finch, it had to cancel its existing insurance policy and take out a new one. W has said that it could not find a new broker that would take on the administration of an existing policy as Finch had suggested may be the case.
- I don't think the action Finch took was reasonable in the circumstances and as such it caused W financial loss. W incurred cancellation charges and inconvenience as it had to arrange new policies. I think therefore Finch should refund those charges and pay compensation to W.

- In addition, it appears the proportional refund from the insurer was unexplainably delayed in being credited to W. The policy was cancelled on 6 December 2021 however W did not receive a refund until 3 February 2022. Finch has not confirmed when it received the refund from the insurer but told W it should have it within 30 days. Considering that period included Christmas, I think it's reasonable to think the payment may have been delayed slightly. And it may have taken around a further week for Finch to arrange to forward that payment to W. So, being mindful of that, I think it would be reasonable to expect Finch should have been able to make the payment to W for it to have been received around mid-January. Therefore, I think Finch should pay interest on the amount refunded from 20 January 2022 to 2 February 2022.

For the reasons above, I uphold this complaint.

Putting things right

To put things right Finch should do the following:

- Refund the £50 cancellation fee charged by Finch
- Pay 8% simple interest per annum on the £144.41 already refunded, calculated from 20 January 2022 to 2 February 2022.
- Pay W £100 compensation for the inconvenience caused
- Provide a breakdown of the amounts referenced above to W showing they are included within the payment made

My final decision

My final decision is that I uphold W's complaint against Finch Commercial Insurance Brokers Limited. I direct it to put matters right as I have set out in the section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 15 December 2022.

Alison Gore
Ombudsman