

The complaint

A company which I'll refer to as "W" is unhappy Finch Commercial Insurance Brokers Limited directed it to move its legal expenses 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 W 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. The policy was non-refundable and therefore W lost out on the full cost of the policy premium when it was cancelled. Although I can see from the file Finch didn't act on the cancellation request immediately and let W know the policy was one it could keep going. However, by that point, W had already arranged new

policies through a different broker and it didn't require dual cover. So I'm persuaded here that Finch should be responsible for covering the proportional amount of premium that was in effect unused.

- W was caused inconvenience by Finch's actions in that it had to arrange a new policy mid-term and find additional financing for it that it hadn't otherwise anticipated needing to do. So, I think Finch should pay W £100 compensation to reflect the trouble W was put to.

For the reasons above, I uphold this complaint.

Putting things right

To put things right Finch should do the following:

- Make a payment to W equivalent to a pro rata refund of the premium paid, for the unused term of the legal expenses policy, with no cancellation charge applied. Plus 8% simple interest calculated from 6 December 2021, until the date Finch makes the payment.
- Pay W £100 compensation for the inconvenience caused.

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