

The complaint

Ms P and Mr V complain that Jelf Insurance Brokers Limited failed to make a claim on their behalf under their Claims Assist policy. This was in connection with a storm claim they had made for their let property under their Commercial Insurance policy.

What happened

Ms P and Mr V are the owners of two flats insured under a Commercial Insurance policy supplied by N. In June 2020 they made a storm claim under that policy. They had a Claims Assist policy underwritten by L, which could have helped them by appointing a loss adjuster to assist them in making the claim.

The claim was accepted by N. Jelf assisted Ms P and Mr V by liaising with N, but Ms P and Mr V were expected to provide full details of the claim and to provide a scope of works and a quote for the repairs. In November 2020 N carried out a claims assessment resulting in a pay-out of just over £24,000, £18,000 of which was paid to Ms P and Mr V's contractor. Ms P and Mr V have said that they required assistance under the Claims Assist policy saying firstly that they had needed assistance in presenting their claim and subsequently asserting that the pay-out was considerably short of what they required.

However Jelf hadn't made a claim to L on Ms P and Mr V's behalf. It did so in April 2021. However L said that it had been notified the claim was settled so its loss adjuster's assistance wasn't required. But in any event it said the policy only provided cover for claims with a value greater than £5,000 but not in excess of £25,000. As at the time the claim was notified to L it was going to exceed £25,000 there was no cover under the Claims Assist policy. In further correspondence with the loss adjuster (H) they said that they couldn't have offered help under the policy in any event as Ms P and Mr V's further claims related to issues of betterment and maintenance which wouldn't be covered under the Commercial policy so wouldn't be part of claim covered under the Claims Assist policy. They may have been able to assist at the time the Commercial claim was made if it was for under £25,000.

Ms P and Mr V made a complaint to Jelf that it failed to make a timely claim to L, and as a result they missed out on having assistance under the policy because the claim had by then exceeded £25,000 and so weren't eligible for help under the Claims Assist policy. They believed that as a result they had made financial losses.

Jelf gave its final response on 28 January 2022. It said that the evidence showed that the claim was reported to it promptly, and that Ms P and Mr V provided it with an update on the matter in July 2020. It said it should have identified at both of those stages that the claim was likely to exceed the £5,000 minimum claim threshold to trigger the cover with L. It accepted that it did not notify L at that point. It noted that H had advised it would not provide assistance on maintenance, or betterment issues, which it understood were the matters under dispute between Ms P and Mr V and N.

Therefore, even if L had instructed H from the outset, and if it had not been of the understanding that the claim exceeded £25,000, the policy would not have provided cover

for this. It was satisfied that whilst it did not report the claim to L in a timely manner, this did not affect the fundamental outcome of Ms P and Mr V's claim.

Ms P and Mr V made a complaint about L. I won't go into the details of that. The evidence from Jelf's file is that the claim was made to L on 29 April 2021.

Ms P and Mr V were successful in recovering some of their additional costs from N, of additional loss of rent. However N wouldn't pay additional costs for what it considered were maintenance and betterment. It also wouldn't pay further additional loss of rent, advertising costs or further interest on part of the settlement.

On referral to the Financial Ombudsman Service, our investigator said that he agreed there had been a delay in notifying L about a possible claim. Ms P and Mr V were left managing the claim themselves, so he felt Ms P and Mr V had been troubled by Jelf's mistake and £300 was fair compensation in recognition of this.

Jelf accepted the proposed compensation award.

Ms P and Mr V did not and made the following points:

- They disagreed with the compensation amount which they felt should be several magnitudes larger.
- With regard to the outcome of Ms P and Mr V's claim the Financial Ombudsman Service should compel Jelf to produce further documents which would show when it registered the claim with both N and L
- I should declare the amount Ms P and Mr V were successful in recovering as a proxy award L should have obtained.
- They pointed out that the investigator's finding that there weren't an unreasonable amount of emails sent up to April 2021 implies that the number sent after that date were unreasonable.
- Jelf brokered the policies with L, reducing the extent of cover without instructions from Ms P and Mr V, meaning that they were subject to the £25,000 claim limit.
- Jelf had an undeclared actual conflict of interest which caused damage to Ms P and Mr V because L declined its claim.
- They made comment on a separate complaint they had made against N.

Our investigator pointed out that issues over the premium and the brokering of the policies weren't matters Ms P and Mr V had raised as complaints with Jelf, and should be raised separately

Ms P and Mr V didn't agree the matter has been passed to me for further consideration.

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.

failure to make a claim on time

I think there's no dispute that Jelf should have notified L of a claim under the Claims Assist policy at or about the same time as notifying the storm claim to N. It didn't do so. In my decision concerning L, I found that the actual claim was notified to L on or about 29 April 2021. By that time the cost of the claim was likely to be over £25,000 which was over the policy limit.

Because of this L said it could not assist with the claim. It also said that the claim was settled by then and that the outstanding issues related to maintenance, betterment, and advertising costs, none of which it would have been able to help with in any event.

I think the evidence shows that at the outset of the claim it wasn't likely to exceed £25,000, so I have to consider what might have happened had Ms P and Mr V been able to take advantage of the claims assistance (which would have appointed a loss adjuster to help with the claim) from the outset.

I don't think that Ms P and Mr V would have been able to benefit from very much help from a loss adjuster under the policy. When the claim was first made Ms P and Mr V were asked to provide a scope of works and quotes. The loss adjuster could have assisted with this part of the process, but it appears Mr V was able to appoint contractors to provide the evidence N needed.

I understand that N accepted it was at fault for its delays in progressing the claim and it wasn't until November 2020 that it agreed on a payment for the repairs and some loss of rent which it paid to Ms P and Mr V. This resulted in a pay-out of just over £24,000, £18,000 of which was paid to Ms P and Mr V's contractor.

I don't think it's likely that a loss adjuster would have been able to provide much help with the claim up to the point where N paid the initial settlement. From considering the documentation Mr V has produced he's clearly experienced at arguing his case, and he was able to appoint contractors and provide the necessary quotes.. A loss adjuster might have been able to help in pushing the case along but what difference that would have made is just speculation.

Ms P and Mr V clearly wanted the loss adjuster to help with the outstanding claim after the initial settlement, but the loss adjuster has said they wouldn't have been able to help with that in any event. This is because the claim had been settled – the repairs took place in March and April 2021. And the outstanding items concerned maintenance and betterment, advertising costs, loss of rent and interest at more than 8%.

While the loss adjuster might have been able to help regarding loss of rent I do think their position regarding the other items was reasonable – that falls outside the terms of the commercial policy. I think it most likely that a loss adjuster wouldn't have achieved any greater settlement. So I don't think that Ms P and Mr V have shown that they have suffered any financial loss.

The compensation award proposed by our investigator is in respect of the distress and inconvenience caused to Ms P and Mr V having to argue their case without assistance. I think the amount proposed, of £300 is reasonable.

wrong policy/ premium charged

Ms P and Mr V raised in their submissions to us that Jelf wrongly sold them a "light" policy which had a claim limit, whereas the standard policy (which they say they previously had)

had no such limit. They also say that in February 2021 the premium on the Claims Assist policy was due to increase because of the claim so L knew about the claim then rather than in April 2021.

As our investigator has pointed out, this is a new complaint which wasn't raised with Jelf, so can't be dealt with under this complaint.

Further, as the claim limit wasn't the only reason for L declining to provide loss adjuster assistance, and in light of my findings as to what might have happened if L had been notified of the claim earlier, I don't think that the sale of the policy is relevant to this complaint.

conflict of interests

This issue was dealt with under the complaint against L, so I won't be commenting on it in this decision.

number of emails

Ms P and Mr V object to the investigator saying that "[Ms P and Mr V] has sent a running total for emails sent to all parties, when considering up to April 2021 - I don't feel there was an unreasonable amount of emails over the period.". They say this implies that the number of emails sent after that was unreasonable.

I think the investigator was considering matters up until the date of the repair and that to settle the matter Ms P and Mr V didn't have to send an unreasonable amount of emails. I don't think that after that the number sent after April 2021 was unreasonable either.

interest

This issue was dealt with under the complaint against L, so I won't be commenting on it in this decision. It's not relevant to this complaint and in this decision I can't make directions concerning any party other than Jelf.

Putting things right

Jelf should pay £300 compensation.

My final decision

I uphold the complaint and require Jelf Insurance Brokers Limited to pay Ms P and Mr V £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P and Mr V to accept or reject my decision before 20 March 2023.

Ray Lawley
Ombudsman