

## **The complaint**

B, a limited company, complains Arthur J. Gallagher (UK) Ltd (AJG) have caused delays and unnecessary distress and inconvenience when renewing an insurance policy.

B is being represented by its director, who I'll refer to as Mr H.

## **What happened**

The background of this complaint is well known to both parties. So, I'll summarise the key points I've focused on within my decision.

- AJG sent renewal documents to B in early March 2022 and Mr H is unhappy that the renewal dates hadn't been brought in line with other policies he held with AJG
- The policy didn't provide cover for terrorism, and he felt the documents had been sent without much time to review and respond
- Mr H says there were issues trying to speak with AJG on the phone and communicate with it about the policy which took time away from his day job
- Having reviewed the policy documents, Mr H decided to take on cover elsewhere which left a premium to be refunded
- AJG informed Mr H that the refund could take between 60 and 90 days. Mr H was unhappy with this timeframe and says he still hasn't received the refund
- Mr H was also unhappy that an administration charge would be applied by AJG
- Mr H raised a complaint and requested the premium money to be refunded and compensation for the substantial time taken to deal with matters
- AJG didn't uphold the complaint but agreed to waive its administration charge
- Our investigator reviewed the complaint but didn't uphold it. He recognised that B would've been inconvenienced with having to deal with the renewal process, and that the refund had taken longer than quoted. However, he explained that our service can't award compensation to a limited company, as there's no evidence that the actual business has suffered
- Mr H disagreed with our investigator's outcome, so the complaint has been passed to me, an Ombudsman, to make a decision on it

I issued my provisional findings on this complaint on 23 January 2023. This is what I said:

### ***What I've provisionally 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 understand from Mr H that he says he had two other policies that were renewing around the same time. However, this complaint only focuses on the relevant policy for company B. B is the named policy holder albeit I acknowledge that Mr H explains these properties are all*

overseen by his management company which I'll refer to as A. But the complainant here is for B as the policy holder, meaning I can only look at B's complaint in this case and therefore only consider any inconvenience to B – not A. I say this as A may have represented B in setting the policy up, but I cannot make an award to a representative or agent in line with our rules.

Mr H discussed with AJG in 2021 about aligning the renewals for all three properties so they renewed on the same date of the 23 March 2022, he says AJG over complicated the process and it didn't happen. Which then led to AJG bringing forward the renewal date on the policy for company B to align with the other policies.

As I've outlined above, I can only consider B's policy in this complaint. And it's not in dispute that the renewal for B's policy was due to take place on 23 March 2022 as B initially wished.

B says the renewal document for its policy was sent without sufficient notice. There isn't a set time when the renewal has to be offered, but the relevant rules say, 'in good time'. We'd expect most sellers to send a renewal invite around 14-30 days in advance of the renewal date and in this case Mr H says he received the renewal documents for B's property on 7 March 2022 for renewal on 23 March 2022.

So, I'm satisfied that this was sufficient time if the renewal had gone ahead.

But – I acknowledge B says as result of AJG's failings, of not bringing the policy renewal dates on all three policies to the same renewal date as requested the previous year (2021). This meant the renewal date would have had to change to the 11 March on B's policy for this year's renewal which gave B a limited time to review the renewal. Mr H has said he also felt exasperated when trying to sort this out with AJG that it didn't return a call. I can see AJG thought it had addressed B's concerns by way of an email but if it had spoken to B, it may have been able to have addressed the issues in a more efficient manner.

However, as the renewal didn't go ahead and as B subsequently decided to change insurers. I see no reason to direct AJG to do anything further on this point.

B has also complained that terrorism cover was excluded from the policy when the renewal documents were sent. B says this was a failing that AJG hadn't brought this omission to its attention, especially as the rest of A's/Mr H's portfolio was insured for terrorism. However, AJG has highlighted it hadn't been part of the policy issued in 2021. AJG also provided that first policy based on like for like cover that had been arranged by the previous broker. It's not uncommon for Insurers/brokers to issue renewals or offer business on a like for like basis and I consider this reasonable, I wouldn't expect AJG to go through the same process at renewal as when a policy is first sold. The onus is on B to review their documents and ensure it has the cover in place that it requires.

When B spoke to AJG about this cover, it was able to offer a policy that would include it. I haven't identified any failing by AJG on this point. And in any case, even if I were persuaded AJG had made mistakes here, I've been given nothing to suggest there has been any detriment to B as a result (for instance, no claim for terrorism being declined as a result).

B has also said the terms of renewal (premiums) were not competitive as he obtained a policy elsewhere for cheaper. I fail to see any impact of such a concern – given B went elsewhere anyway. So again, even if I agreed AJG had made a mistake here, I wouldn't look to make a direction or award on this point.

B decided to take on cover elsewhere and AJG informed it of the refund of premium due which would take 60-90 days to be returned. AJG has explained it has to follow a terms of

*business arrangement with the Insurer so it had to request the funds back from the insurer and pay it forward so this would take some time. But I note, the refund was initiated in March 2022 and wasn't sent until August 2022, so this is much longer than the quoted timeframe from AJG. It's also not clear why AJG asked for B's banking details to pay it by BAC's but then sent cheques instead.*

*However, AJG have evidenced that a cheque was generated in August 2022; for this policy and a cheque for one of the other policies in the portfolio. But my understanding is Mr H has said the payments have not been received and AJG have confirmed the cheques hadn't been cashed when we checked. Having seen AJG's system notes, it seems most likely to me that the cheques were sent to B. I acknowledge these weren't cashed, so it's possible these weren't received, but I don't think it would be fair or reasonable to hold AJG responsible for any issues with postal issues.*

*Our Investigator has asked AJG to make contact with Mr H to see if an alternative payment method could be used whilst this complaint was waiting for an Ombudsman to review it. I note that AJG have also waived the administration charges prior to the complaint coming to this service which I think is fair in the circumstances of this complaint.*

*But it's clear to me that AJG had not met its own timeframes with sending the cheque. And it seems this was likely sent around two months after the period it said the funds would be received. So, I've thought about the impact on B as a limited company.*

*Mr H as the director of B wants AJG to pay him compensation for the frustration and inconvenience to him. He points to the impact on his day job which isn't running this business, but the complaint here has been made by B and Mr H is acting as a representative of B. As our investigator pointed out, B is a legal entity, so I can't make a compensation award to B for the distress Mr H has suffered. However, I can make an award to B for inconvenience B has experienced.*

*B has explained that his tenants have a full repairing and insuring lease, so it's the tenant that bears the costs of the insurance policies, repairs, and maintenance on the property. B has said the refunds that AJG should've returned have therefore not been returned to the tenant. And the fact that this hasn't been done yet has caused it reputational damage and embarrassment and compromises the relationship between landlord and tenant.*

*However, I think there has been an element of inconvenience caused to B as a result of its delays in issuing payment and this will have had an impact on the tenant/landlord relationship as this should've been repaid to the tenant.*

### ***My provisional decision***

*For the above reasons I'm intending to uphold this complaint. And I intend to direct Arthur J. Gallagher (UK) Ltd to do the following:*

- *Pay B £200 for the inconvenience caused to its business as a result of the delays on its part*
- *Pay the outstanding refund of £165.70 to B as it has agreed*
- *To account for the delay in sending the cheque, B should also pay 8% simple interest between the 90th day after the date of cancellation and the date the cheque was sent on 4 August 2022*

### **Responses to provisional decision**

Mr H on behalf of B hasn't responded.

AJG has accepted my provisional 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.

As I've received no further comments to my provisional decision, I'm satisfied that my provisional decision represents an outcome that's fair and reasonable.

### **Putting things right**

For the above reasons I uphold this complaint. And direct Arthur J. Gallagher (UK) Ltd to do the following:

- Pay B £200 for the inconvenience caused to its business as a result of the delays on its part
- Pay the outstanding refund of £165.70 to B as it has agreed
- To account for the delay in sending the cheque, B should also pay 8% simple interest between the 90th day after the date of cancellation and the date the cheque was sent on 4 August 2022

### **My final decision**

For the reasons given above I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 7 March 2023.

Angela Casey  
**Ombudsman**