

The complaint

The estate of Mr D complains about the service John Henshall Ltd provided when it sold a buildings insurance policy.

Mr D and Mrs P have brought the complaint on behalf of the estate of Mr D. For ease I shall refer to them below.

What happened

The details of this complaint are well known to both parties, so I won't repeat them in full. again here.

But in summary Mr D and Mrs P took out a policy for the estate of Mr D, in which John Henshall was the broker.

When Mr D and Mrs P later needed to make a claim on the policy, the Insurer told them they were underinsured, as it said the total rebuild value was around £425,000 – but Mr D and Mrs P had insured it for only £140,000. As a result, the insurer was only paying a percentage of the claim value.

Mr D and Mrs P said John Henshall didn't do enough to explain matters regarding rebuild values during the sale. Mr D and Mrs P said if it had, they would have had taken further steps when answering the question.

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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- I can see following the initial sales discussion, John Henshall provided a statement of fact to Mr D and Mrs P. It warns of the importance of reviewing the information on it is correct and the policy may not be valid, or offer cover at all, if it isn't.
- As a commercial customer, under the Insurance Act 2015, it is the responsibility of the customer to make a fair presentation of the risk – meaning it was for Mr D and Mrs P to make sure the information provided was accurate and ask questions of anything they were unsure of.
- One of the questions in the statement of fact is '*what is the cost of rebuilding this property?*' to which I can see the answer provided was £140,000. I think the question asked here was clear that it relates to the cost of rebuilding the property.
- Mr D and Mrs P said they assumed this was the same as the Market Value of the property and said this to John Henshall during the call – who, they think should have explained how it differs. John Henshall said had it been asked questions about the rebuild value, it would have provided guidance.

- John Henshall has been unable to provide a recording of the call, however it has provided a copy of its sales scripts and a note from the time of the call, which notes a script had been used.
- Having reviewed the information available, I think it's more likely than not the question about the rebuild cost would have been asked as it is presented on the statement of fact. But I've not seen anything to persuade me Mr D and Mrs P queried this question, or what it means, with John Henshall.
- I can see Mr D and Mrs P responded in an email regarding the statement of fact to provide further information about the roof however, I think there was an opportunity to ask about the rebuild value here. But they didn't do so.
- I appreciate Mr D and Mrs P's comment they gave the answer they did, from the information they had. But as I've set out above, under the relevant legislation it was the customer's responsibility to provide correct information. So, I would have expected them to enquire if unsure, and I've seen nothing to persuade me they did.

So for these reasons, I do not uphold this complaint.

My final decision

My final decision is that I do not uphold the estate of Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of X to accept or reject my decision before 21 June 2023.

Michael Baronti
Ombudsman