

The complaint

Mr S complains he was mis-sold a motor trade policy by Abbey Insurance Brokers Ltd.

Reference to Abbey includes its agents.

What happened

In 2017 Mr S took out a motor trade policy, underwritten by an insurer I'll call X, but sold by Abbey in an advised sale.

When one of Mr S's cars was stolen, he made a claim to X. But X declined it. It said Mr S wasn't covered for any loss at, or within 100 meters of, his home address.

Mr S complained to Abbey about this. He said the policy was mis-sold to him. He said his work address and his home address were the same. He thinks the policy wasn't suitable for his needs.

Abbey didn't uphold Mr S's complaint. It said it was clear what was covered in all the documentation it sent him following the sale. It said it was Mr S's responsibility to make sure the policy suited his needs.

Unhappy, Mr S brought his complaint to us.

One of our investigators recommended it be upheld. She thought that because the policy was purchased in an advised sale, Abbey had to recommend a policy that was suitable for Mr S's needs. And this policy wasn't. She recommended Abbey act as if were X and assess Mr S's claim in line with the remaining terms of the policy – without relying on the exclusion for cover from Mr S's home address. She also recommended Abbey pay Mr S £100 for the inconvenience this matter caused him.

Mr S agreed with our investigator's assessment. Abbey didn't and asked for an ombudsman's decision. It says Mr S, as a commercial client had a responsibility to check what he was covered for. It said it's not an insurer, so it can't assess the claim. And it's said even if it could, too long has passed since the claim, that it couldn't gather the evidence it needed to assess any claim.

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'm upholding it. I'll explain why.

- The policy was sold as an advised sale. That means Abbey had a duty to make sure it asked relevant questions to make sure any policy it recommended met Mr S's needs.
- This policy was sold over the telephone, and there's no record of that call. So, I can't

be sure what was asked by Abbey or how Mr S answered anything he was asked.

- But, from what I've seen, both in terms of Mr S's complaint, and emails between Abbey and X (or its agents), Mr S was told he'd be insured for vehicles kept at his home address.
- I appreciate Abbey's point that Mr S had a responsibility to check his documents. And the documents are reasonably clear. But this doesn't absolve Abbey of its responsibilities as set out above.
- From the evidence, I'm not persuaded the policy recommended to Mr S by Abbey suited his needs. I think it's more likely than not that Abbey didn't ask the right questions, didn't understand Mr S's requirements fully, or simply recommended a product that wasn't suitable. Either way, I find this policy was mis-sold.
- Had the policy not been mis-sold, I think it likely Mr S would have had a policy that covered him for theft from his home address. There are policies on the market that offer this cover, so I see no good reason why Mr S wouldn't have been able to take one out.
- Therefore, had the policy not been mis-sold, Mr S would have had cover for his claim for the stolen car. So, Abbey should act as if it were Mr S's insurer X. It should assess the claim in line with the remaining terms of the policy. And, if there's no valid reason to decline or reduce the claim, Abbey should pay it, in full.
- I understand Abbey's concerns around the time since the claim was made affect its ability to assess this claim. But this should not prejudice Mr S. So, if Abbey is unable to effectively assess the claim, it should simply pay it, in full.
- Should the claim be paid, Abbey should add 8% simple interest to the payment. Interest should be calculated from 1 month after the claim was made, to the date Abbey Insurance pays Mr S.
- Having a policy mis-sold, and that leading to a declined claim would be inconvenient for Mr S, so Abbey should also pay him £100 compensation.

My final decision

For the reasons set out above, I uphold Mr S's complaint. I require Abbey Insurance Brokers Ltd to:

- Assess Mr S's theft claim in line with the remaining terms of the policy, without relying on the endorsement excluding cover from his home address.
- Should there be no valid reason in those terms to decline or reduce the claim, pay the claim in full.
- Equally, if, due to the passing of time, it cannot fairly assess the claim, it should pay it, in full.
- 8% simple interest should be added onto any claim payment. Interest should be calculated from one month after the claim was made, to the date it pays Mr S.
- Pay Mr S £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 June 2023.

Joe Thornley
Ombudsman