

The complaint

Mrs T and Mr T complain about the administration services provided by BISL Limited ("BISL") when renewing their buildings insurance policy.

What happened

Mrs T and Mr T received their renewal price from their broker, BISL, which they say was over 400% higher than what they'd paid the previous year. They believe this was as a result of a call Mrs T made to the insurer to query whether potential damage to a boundary wall was covered by their policy. Mrs T and Mr T say no claim had been made and there wasn't even an insured event to claim for. They say they discussed this with BISL and, although this reduced the premium, the price was still more than 100% higher than what they'd paid the previous year. Mrs T and Mr T believe BISL should've questioned the original renewal price before sending it to them, so they complained.

BISL responded and explained, at the time of the renewal, the incident reported by Mrs T was recorded as a claim on the policy. And, because it was showing as an open claim, it was considered a fault claim until the insurer was able to recover 100% of their costs. BISL explained it was the insurer who recorded this as a claim, so they'd forwarded this part of the complaint to the insurer. BISL accepted they'd delayed in forwarding the complaint to the insurer and also about not placing Mr T on hold correctly during a call which led to him overhearing a comment made about his complaint. BISL confirmed they'd made arrangements to pay £60 compensation. BISL said the insurer had confirmed the incident had been settled as notification only. They explained the reason why this hadn't been recorded for information purposes was because Mrs T had confirmed Mrs T and Mr T had building works ongoing on the property in the last year and they'd noticed damage to the dry-stone wall.

Our investigator looked into things for Mrs T and Mr T. He agreed BISL had made errors and recommended they increase the compensation to £100. Mrs T and Mr T disagreed so the matter has come to me for a 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.

Having done so, I've decided to uphold the complaint. And, I think the investigator's recommendation here is a fair way to resolve matters. I understand Mrs T and Mr T will be disappointed by this but I'll explain why I have made this decision.

I think it's important to firstly make clear the role of various parties in insurance. When taking out insurance, a customer will often communicate with an insurance intermediary who is responsible for arranging, selling and administering the policy – often this will be a broker. In this case, the broker is BISL. The insurer is the business which underwrites the policy and decides on a price. So, while BISL were responsible for sending the renewal invite, they've explained the price was calculated by the insurer and the insurer was also responsible for

recording the incident following Mrs T's call. My decision here focusses only on the actions of BISL as the broker.

I can see Mrs T and Mr T paid £789.11 for their buildings insurance policy in 2022. They were then quoted £3,362.12 for their renewal in 2023 – followed by a revised renewal for £1,612.09. There has been a significant increase here, so I understand why Mrs T and Mr T are concerned. I can see from information provided by BISL that they received notification of an incident from the insurer, so they updated their records to reflect this. As the incident had only recently occurred, and because BISL hadn't at that point been notified if there had been a claim made, a provisional value was recorded for the claim. BISL then sent the renewal invite around two weeks later and this noted a claim. Mr T then contacted BISL and explained no claim had been made and BISL agreed to get an update from the insurer. The insurer then confirmed the claim had been settled as notification only and a revised renewal was sent to Mrs T and Mr T showing no claims had been disclosed. BISL explain a notification only incident has been added to the policy. They say, while they understand Mrs T and Mr T disagree with this, the decision to record the incident in this way was made by the insurer.

As mentioned above, I'm looking at BISL's actions here as the broker and the steps they took during the renewal process. I understand Mrs T and Mr T's points about how the incident was reported but I can't say BISL have acted unreasonably here as they've been notified by the insurer of an incident and then sent a renewal quote based on the price calculated by the insurer. So, I don't think BISL have acted unreasonably here.

I can see Mrs T and Mr T are concerned about the delay in BISL referring part of their complaint to the insurer and also the customer service received during a call Mr T made to BISL. The key facts about these parts of the complaint aren't in dispute. BISL have admitted they got things wrong when they delayed in referring the complaint about the price and claim notification to the insurer and also about a comment made by their call handler. The only issue I have to decide here is whether their offer to put things right is fair and reasonable.

During the call the call handler acknowledges that, from the point they first identified there was a complaint about the insurer, it wasn't forwarded to them until around three weeks later. The call handler then attempts to place Mr T on hold to discuss a matter with a colleague. The call handler is then overheard saying "*It's taken me all day, this one*". When the call handler returns to the call, Mr T points out that he overheard the comment made and the call handler apologises.

I think it's right that BISL should compensate Mrs T and Mr T for the frustration and upset caused by their poor service. To help decide what a fair and reasonable level of compensation should be, I've looked at the errors by BISL and what the impact of those errors has been.

I acknowledge it was frustrating for Mrs T and Mr T to learn that the part of the complaint relating to the pricing and how the incident was recorded – which appears to be the main issues and the reason why they raised a complaint in the first place – hadn't been referred to the insurer for three weeks. It's clear Mrs T and Mr T wanted clarity on this – ideally before the policy was set to renew. That didn't happen so I acknowledge Mrs T and Mr T's frustration. I note Mr T says this impacted his ability to shop around for an alternative policy. I do acknowledge Mr T's point, but I'm not persuaded this prevented Mrs T and Mr T from looking at alternative policies. I understand why Mrs T and Mr T will have wanted clarity on the pricing and incident recording issue, but they did still receive the revised quote in advance of the renewal date. And, given that Mrs T and Mr T still felt this was too high, they did have an opportunity to shop around. So, while I've taken into account the frustration

caused in not having clarity on the position, I can't say this prevented Mrs T and Mr T from making enquiries for alternative cover.

In relation to the phone call, I acknowledge it was upsetting for Mr T to hear this comment being made by the call handler. It appears the call handler is referring to them spending most of the day in dealing with Mrs T and Mr T's complaint. And, whether it was the case they'd spent most of the day handling the complaint or not, I don't believe it was professional or courteous for such a comment to be made and overheard by Mr T. I think the call handler did then take appropriate steps to address this at the time by apologising during the call.

Taking all the information into account, I think that total compensation of £100 would be fair and reasonable in the circumstances here.

I acknowledge Mr T's points about Consumer Duty and his question about how BISL have met these requirements when they failed to identify and investigate a quote which showed an increase in price of more than 400%. I do understand why Mr T is concerned by this but, in this case, I don't believe BISL have acted unfairly. I agree the price had increased significantly, but BISL had already been notified about a claim. So, while it might well have been expected the price would increase following this, any rating factors and loadings for this have been applied by the insurer. So, I don't believe BISL needed to take any further steps beyond those they did in this case.

I also acknowledge Mr T's points that BISL should've helped to pursue the complaint against the insurer and to engage with the insurer to get a price which discounted the claim from the policy. Given that it was the insurer who set a price for the policy, I don't think it was unreasonable for BISL to refer this part of the complaint to the insurer and ask them to liaise directly with Mrs T and Mr T to address this. I can see BISL did make enquiries with the insurer after Mr T raised concerns about the claim showing on his policy. And this led to a revised renewal quote being issued – which didn't include the claim. So, I think BISL took appropriate steps here when the concern was raised by Mr T.

I wish to reassure Mrs T and Mr T that I've read and considered everything they've sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

Putting things right

I've taken the view that BISL have made errors which have had an impact on Mrs T and Mr T. So, in addition to the £60 already paid, they should pay an additional £40 for the frustration and upset – bringing the total paid for this complaint to £100.

My final decision

My final decision is that I uphold the complaint. BISL Limited have already paid £60 compensation – so they must pay Mrs T and Mr T an additional £40 to bring the total amount of compensation paid to £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 11 August 2023.

Paviter Dhaddy
Ombudsman