

The complaint

Mr P complains about the service provided by Brightside Insurance Services Limited (“BISL”) when selling him an insurance policy.

What happened

Mr P owns a property that he lets out. He uses BISL as a broker to obtain insurance for the property. In 2022 the policy was due to renew and BISL sent him documents for a new policy. However he was unhappy with it due to a high excess for the storm cover. BISL therefore offered a different policy which Mr P accepted.

On reading the policy documents he had some concerns about the suitability of the policy. He said the contents limit was far too high as was the sum insured for the building. And the excess was higher than it had been the year before. He queried this and subsequently made a complaint.

In response to his complaint BISL said Mr P could cancel the insurance policy, receive a full refund and it would waive the £75 cancellation fee. It also offered £50 for some delayed responses to his emails.

However Mr P wasn’t satisfied with this response. He was also dissatisfied with the communication he had received from various staff members at BISL while he had been complaining.

He brought the complaint to this service but our investigator didn’t recommend it be upheld. Our investigator said that as BISL had offered a refund of the policy then this was a fair resolution to the complaint. And as the concerns Mr P had about the service he’d received hadn’t been answered by BISL in its final response, then we couldn’t look at those issues. Mr P didn’t agree this was fair and asked for the complaint to be reviewed by an ombudsman.

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.

Mr P has provided a large amount of detail in relation to his complaint. As this is an informal service, I’ve not responded to everything he’s raised. Instead I’ve focussed on what I consider to be key to the outcome. However I want to reassure Mr P that I’ve read and carefully considered everything he’s provided.

BISL had acted as a broker for Mr P for a number of years and the sale of the policies were on an advised basis. This means, under the Financial Conduct Authority’s (FCA) Insurance Conduct of Business regulations (ICOBS), BISL had a responsibility to get an understanding of Mr P’s needs and to recommend a suitable insurance product. As well as to provide appropriate information at inception and each renewal that is clear and not misleading to enable Mr P to make an informed choice.

Mr P has complained that BISL failed to do this on two occasions – with both the first and second product it recommended at renewal.

When Mr P received the first set of documents, he said in his account that he was able to clearly identify the increase to the storm excess in the documents provided. And felt this made the policy unsuitable so he raised it with BISL. While BISL didn't point out this change to the policy details directly, as this was clear on the policy schedule, I think BISL did enough to meet its obligations by providing the documents for Mr P to review with this clear information contained. Further, once Mr P had explained that this excess meant the policy didn't meet his needs, BISL went back to its panel of insurers and provided an alternative quote. Which is what I'd expect it to do in the circumstances.

However Mr P also feels that the second policy offered was also unsuitable for his needs. He's said that the sum insured for both contents and buildings was higher than it should have been and that the excess was higher than the year before. I've considered this and I don't think this is enough to say BISL didn't meet its obligations as a broker. It provided a policy that exceeded the needs of the property. And its explained that this is offered as standard by the insurer as a benefit – in order to avoid any issues of underinsurance that may occur due to fluctuating prices. While Mr P has expressed concern that this may have made the policy more expensive, BISL has explained that this is a standard offering from the insurer, rather than something that Mr P would have been charged an additional cost for. I therefore think BISL met its obligations to recommend a suitable policy.

Further BISL provided the policy information to Mr P in advance so that he could review the inclusions before it renewed. And provided contact details if he wanted to discuss the policy further. So I think Mr P was given enough information for him to check the policy before it renewed.

However, even if I were to say that BISL hadn't met its obligations and provided unclear information about the policy, I still wouldn't ask it to do anything more than it has already offered.

It's the role of this service to assess whether a business has acted fairly and reasonably when resolving a complaint. And where we find they got something wrong, ensure they do enough to put things right in order to put their customer back in the position they would have been in if they hadn't.

Here, BISL has offered to refund the full policy premium paid for the year, applying no additional broker fees or any applicable cancellation fees. So even if I'd found BISL hadn't provided enough information or that it was unsuitable for Mr P's needs, this is what I would have directed BISL to do. As this would have allowed Mr P to purchase a different policy through an alternative broker without any financial detriment to him. So effectively puts him back in the position he would have been in if it had provided a suitable product.

So even though I've found BISL has met its obligations under ICOBS, even if I hadn't I'd be satisfied it had done enough to put things right. So I won't ask it to do anything further.

I note Mr P has expressed his dissatisfaction at how his queries and concerns have been handled by BISL. Our investigator has said that we can't consider these issues as they were raised after BISL issued its final response to Mr P's complaint. I can see that Mr P raised some of these concerns before the final response was issued, and some continued after, so I think we can consider some of these concerns. However this doesn't change the outcome of the complaint.

Mr P raised numerous queries and concerns throughout his correspondence with BISL. And

while there were some delays to BISL responding to these, from what I've seen it did provide detailed and helpful responses to most. Further, it offered £50 compensation for a delay to responding to some of his queries. And I think that's reasonable.

I note one of the main concerns Mr P has raised is that he felt uncertain whether he had any policy cover in place for a number of months due to BISL not providing clarity on the policy. However I think BISL provided enough information to reassure him that cover was in place. It had provided confirmation of the policy renewal, full policy documentation and explanations of what the policy covered in response to his queries. So even though it didn't answer this question directly, I don't think Mr P would reasonably have been left in doubt that he had insurance cover for his property during this time.

For these reasons, I'm satisfied BISL has met its obligations as a broker under ICOBS and has provided a fair resolution to Mr P's complaint. I therefore won't ask it to do anything further.

My final decision

For the reasons I've given, I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 17 August 2023.

Sophie Goodyear
Ombudsman