

The complaint

Mrs S and Mr S complain that U K Insurance Limited (“UKI”) didn’t provide them with a breakdown of their commercial property insurance premium.

Mr S has acted as the main representative during the complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, by either Mrs S or Mr S as “Mr S” throughout the decision.

What happened

Mr S has multiple properties insured with UKI under a commercial insurance policy. Mr S asked UKI to provide a breakdown of his 2022 policy showing the individual price for each of the properties under the policy, and he explained he required this for tax purposes. UKI explained they couldn’t provide this so Mr S complained.

UKI responded and explained they’re unable to provide a price breakdown under Mr S’s policy, and they couldn’t set out the price per property or the price of each section of cover under a property. They said, when a customer takes a quote from them, it can be taken for an individual property under one policy, or a property can be added to an existing policy. They said, in the case of the latter, the price per property isn’t available for them to view which is the reason they can’t provide Mr S with these figures. They said when multiple properties are added onto one policy, it is one policy premium, policy reference and renewal date – and the price charged is for the overall risk. They did explain one way which would give Mr S an estimate of the individual premium for each property, but because of the way in which the discount is applied, it wouldn’t provide accurate figures.

Our investigator looked into things for Mrs S and Mr S. He thought UKI had made an error in not taking adequate steps to assist Mr S and recommended they pay £150 compensation. Mrs S and Mr S and UKI 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 is a fair way to resolve matters.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I’ll focus on what I consider to be the crux of the complaint and the main areas of dispute. The primary dispute here relates to UKI not providing Mr S with a breakdown of the premium for each of his properties. While Mr S is aware of the total premium for his commercial property policy, he wants UKI to provide him with a breakdown showing the premium for each of his properties individually. UKI say, where a customer has one policy covering multiple properties, the rating is worked out within their inbuilt risk

assessment tool. They say one price is provided for all properties insured. They also say customers benefit from a discount – the more properties per policy the greater the discount.

UKI say Mr S's properties are all covered under one policy and, because any discounts are applied based on the number of properties on the policy, they can't provide a precise price for each individual property as the discount is provided overall. They say the price per property isn't available for them to view which is why the breakdown couldn't be provided. They say the best way to estimate how much a customer is paying per property is to remove a property (to see how much the price reduces) and then add it back on - but this is an estimate only as removing a property also reduces the overall discount.

I can see Mr S is concerned by UKI's explanation as, when it came to his 2023 renewal, UKI did provide him with a breakdown. Mr S says he informed UKI he wouldn't renew unless they provided an individual breakdown – so he believes they could've provided a similar breakdown for his 2022 policy. Our investigator has raised this with UKI, and they explain the only way to obtain an estimate is to remove and add properties, but these amendments can only be made to live policies, which is why they were able to do it for the active 2023 policy. They say, once a policy year has passed, amendments can't be made to it on the system. Our investigator also queried why a breakdown wasn't offered to Mr S for the 2022 policy and UKI say they wouldn't offer a breakdown for the previous year as it's not something they offer in line with their business process – and all they've been able to provide for the 2023 policy is an estimate based on removing and adding properties.

I acknowledge the points made by UKI, but I don't believe the level of service provided to Mr S was reasonable here. It's not in dispute that it's possible to calculate a breakdown because UKI have provided this for Mr S's 2023 policy. It's also not in dispute that the figures provided won't be fully accurate. Mr S says he understands that removing one property at a time will only provide an estimate of the individual premium for that property, or very close to it. Mr S says he understands the position in relation to the overall discount and how any individual figures provided through the breakdown won't be wholly accurate. Case notes provided by UKI show Mr S complained about not being given a breakdown. UKI then respond and explain the reasons they're unable to provide a breakdown and why this isn't available to view on their system.

I can't say UKI have made an error if their system doesn't allow them to view an exact and precise breakdown. And, given how the discount works, I understand why it might not be possible for UKI's system to hold the information in this way. But they do offer a solution when speaking with Mr S and also in their complaint response. UKI have provided call notes which show a call handler did explain to Mr S they're unable to provide a breakdown of the premium for each individual property. They explain the only way they could give an estimate is to remove one property and give an average of each property based on the total amount of the premium. The call note says, "*But this is not a correct process and would not give the customer a clear understanding of how much each [property] cost.*" There's a further call the following day and UKI say Mr S explains he could get fined for providing false information to the HMRC. UKI then send their complaint response and explain, "*The best way to gain an estimate over how much you are paying per property...*" is to remove the property to see how much the price reduces and then add it back on.

So, when dealing with Mr S's query at this point, I've looked to see whether UKI took all reasonable steps and did all they could to assist Mr S – and I don't think they did. I say this because, having offered Mr S a potential solution, I don't believe they provided him with sufficient information to enable him to make an informed decision. Firstly, when responding to our service, UKI explain, in order to complete the 'remove/add' process, Mr S needed to speak with their sales team who are authorised to make those changes. But I can't see this was explained to Mr S in the complaint response. It's clear Mr S wanted a breakdown, and

while I accept UKI made it clear this wouldn't provide Mr S with precise and exact figures, I think they should still have set out the steps Mr S would need to take if he did want to take up UKI's suggestion.

I'm further persuaded UKI didn't take all reasonable steps and provide adequate information to Mr S because they didn't explain to him at the time of his query that the breakdown for the 2022 policy would only be available for another couple of months. UKI explain their process doesn't allow them to remove and add properties to calculate a breakdown for a policy which is no longer active – and they can only take these steps in relation to a current and active policy. So, the breakdown for the 2022 policy can't now be obtained.

I can see UKI addressed Mr S's complaint in December 2022 – just under two months prior to Mr S's 2022 policy expiring. UKI will be aware of their processes and will have known that once the policy renews in February 2023, it will no longer be possible to get a breakdown estimate for the 2022 policy using the 'remove/add' process. So, I think there was a missed opportunity here for UKI to take all reasonable steps and provide Mr S with as much information as they could to assist him in making an informed decision.

I accept the breakdown wouldn't have provided fully accurate figures, but UKI should've explained to Mr S this is all they can do, and this is only available until the next renewal date – after which no breakdown estimate can be provided. I can't say for certain whether this breakdown estimate would've given Mr S the detail he needed, but I can't see Mr S has complained about the 2023 breakdown estimate. So, I don't think it's unreasonable for me to conclude the same format of information for the 2022 policy would likely have provided Mr S with what he required. Either way, the reason I'm upholding this complaint is because UKI didn't provide Mr S with sufficient information about the process to enable him to make an informed decision while the 2022 policy was still active and before the breakdown estimate was no longer going to be available.

I note UKI say they didn't offer Mr S a breakdown for the 2022 policy as it's not something they offer customers. They say it's not part of their process and they've always explained they can't provide exact and precise figures. They say they can't promote a service which doesn't provide accurate figures. While I accept the 'remove/add' process might not be UKI's usual business process, it was set out as an option in their complaint response. So, having highlighted it as a potential option for Mr S to get some information, I think this demonstrates UKI were prepared to go outside of their usual business process to provide Mr S with the breakdown.

I do understand UKI's concern about offering a service which doesn't produce accurate figures, but in this case, I'm not saying UKI should have a process where they offer this service proactively. What I'm saying here is that UKI were clearly prepared to adopt the 'remove/add' process for Mr S's 2022 policy. And while Mr S might well have been asking for exact figures, he would've been in a more informed position to decide whether a breakdown estimate would be satisfactory for him in the knowledge that in a couple of months not even this will be available.

UKI also say they don't offer this as it wouldn't be right to offer a process that doesn't provide accurate figures for a customer to use for tax purposes. I do understand UKI's point about providing information which wouldn't be fully accurate when a customer has expressed their intention to use it for tax purposes. And I do acknowledge UKI's concern about having this as a service given that the HMRC should be given correct and complete information. But, UKI have provided a breakdown for the 2023 policy and also made it clear the figures aren't wholly accurate. I don't think it's unreasonable in the circumstances for UKI to caveat the information they've provided if they have concerns about how the information will be used.

I think it's important to make clear I'm not directing UKI to change their process or directing them on what their process should be - as our service doesn't have the power to make such a direction. It appears Mr S's policy will be due for renewal in February 2024 – and I acknowledge UKI say the provision of the breakdown for the 2023 policy represents a departure from their business process. My decision in this complaint doesn't mean UKI must now continue providing Mr S with a similar breakdown – as this is down to their process. In this case, the reason I've upheld the complaint isn't because UKI didn't have a usual business process requiring them to provide Mr S with the breakdown information in 2022. But rather it's because they didn't provide Mr S with sufficient information to enable him to make an informed decision on whether to accept the breakdown estimate they were willing to provide for the 2022 policy.

I understand Mr S feels UKI should refund the premium for the 2022 policy year to prevent any incorrect information being submitted to the HMRC. I acknowledge Mr S's point, but I don't think that would be reasonable in the circumstances. The premiums have been paid for UKI to provide cover for Mr S's properties – and this is something UKI have done. Even though UKI didn't provide Mr S with the breakdown requested, he has received the benefit of having his properties insured – and this is why the premiums have been paid to UKI. So, I can't ask UKI to refund the premium for 2022.

Taking this all into account, I think Mr S has been caused frustration at the missed opportunity to make an informed decision. It might well have been the case that Mr S might've decided that some information, even though it might not have been wholly accurate, is better than no information. Given that UKI were prepared to do the breakdown and calculations for Mr S to get an estimate for his 2022 policy, I understand why he's frustrated he's now in a position where he can't get any information now. So, I think compensation of £150 is fair and reasonable in the circumstances.

I wish to reassure Mrs S and Mr S and UKI 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 UKI haven't provided Mr S with sufficient information to enable him to make an informed decision. So, they should pay Mrs S and Mr S £150 compensation for the frustration caused.

My final decision

My final decision is that I uphold the complaint. U K Insurance Limited must pay Mrs S and Mr S £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 29 November 2023.

Paviter Dhaddy
Ombudsman