

## **The complaint**

Mr W, who is a director of V, complains on V's behalf that Marsh Ltd provided incorrect information to the insurer of its Commercial Combined insurance policy which resulted in the insurer declining V's claim for a burglary.

## **What happened**

V bought an insurance policy through Marsh who is a broker. The policy was to provide cover for V's shops for certain events. Unfortunately, one of V's shops was burgled so V claimed on the policy with the insurer. The insurer reviewed the claim and said it had been told V's shop had an alarm and sold the policy on that basis. It said that it had discovered the shop didn't have an alarm, it meant there was no cover under the policy.

V didn't think this was fair and complained to Marsh, it said the shop had never had an alarm and said that Marsh had incorrectly told the insurer it was alarmed. Marsh reviewed the complaint but didn't issue a final response within eight weeks, so V referred its complaint here.

After the complaint was referred here Marsh explained that it would like to make an offer to settle the complaint. It said it would consider the claim in place of the insurer, subject to the remaining policy terms and conditions. Marsh said it would appoint a loss adjuster to assess the claim and that it would pay interest of 8% per year on the settlement, from two months after the burglary, 9 January 2023, (as this was a reasonable time to assess the claim) up to the point of settlement. Marsh also agreed to pay V £200 compensation.

V didn't agree with the offer. It said Marsh should use the same loss adjuster as the insurer had used and not interfere with the loss adjuster's findings. V also said Marsh should accept the liability for the claim now rather than considering the claim. V agreed to the compensation offered.

Marsh agreed to use the same loss adjuster as the insurer and said it had no intention of influencing the loss adjuster's outcome. It said it would conduct matters in accordance with standard market procedures and by doing this would put V back in the position it would have been in but for the incorrect information being given to the insurer. V still didn't agree with Marsh's offer.

Our Investigator reviewed the complaint and found Marsh's offer to be fair and reasonable in the circumstances. She said it's normal for a loss adjuster to be used to assess the liability of the claim and found that Marsh's offer was fair and reasonable in the circumstances. V didn't agree. It said the claim had already been assessed and that the only reason it hadn't been paid was because of the alarm condition. V therefore thought Marsh should cover its losses without reconsidering the claim.

As V didn't agree the complaint has come to me to decide.

## **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.

The background of this complaint is well known to both parties, so I won't repeat it here. It also isn't in dispute that incorrect information was given to the insurer when the policy was sold and that this resulted in the insurer declining the claim. In this decision I'm therefore only considering whether Marsh's offer to resolve the complaint is fair and reasonable.

When a business makes an error, our approach is to put the complainant into the position they would have been in but for the error. Marsh has offered to consider this claim in line with the remaining terms and conditions of the policy. To do this it's agreed to use the same loss adjuster as the insurer to decide the liability of the claim in line with the policy terms.

I understand V doesn't think this is fair and has said the only reason the claim was declined was because the shop didn't have an alarm. While there hasn't been anything provided to dispute this, I'm still satisfied it's fair and reasonable for Marsh to use a loss adjuster. I say this because it's common practice for insurers to use loss adjusters to determine its liability under a policy. And while V's claim was declined due to the property not having an alarm, it's not my role to determine the insurer's liability under the policy. So, by Marsh offering to use a loss adjuster to do this, I'm satisfied that puts V back in the position it would have been in but for the error with the information provided to the insurer. It follows that I'm therefore satisfied it's a fair and reasonable outcome to V's complaint.

Marsh has also offered to pay 8% interest on any settlement, calculated from two months after the loss until the date payment is made. Two months is not an unreasonable time for an insurer to determine the outcome of a claim like this and so I'm satisfied this is fair and reasonable. I can also see V has agreed to the interest calculation and compensation of £200. I'm therefore satisfied these are fair and reasonable and won't be directing Marsh to do anything more than it's offered.

## **My final decision**

For the reasons explained above, my final decision is that I uphold this complaint. I require Marsh Ltd to:

- Consider the claim in line with the remaining terms and conditions of the policy and appoint the same loss adjuster as the insurer used to review the claim
- Pay 8% simple interest per year on the settlement amount, calculated from 9 January 2023 until date of payment
- Pay V £200 for inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask V to accept or reject my decision before 5 January 2024.

Alex Newman  
**Ombudsman**