

The complaint

Miss M has complained about her motorhome insurance broker Advanced Insurance Agencies Ltd (AIA). She feels it mis-sold her a policy because, following the theft of her motorhome, her insurer declined her claim.

A complaint has also been made by Miss M about her insurer's decision. I'll complete a separate review of that complaint.

What happened

Miss M arranged a policy with AIA. Within a month of the cover starting the motorhome was stolen. Miss M's insurer declined the claim based on a policy exclusion because it said the motorhome had not been parked in an agreed storage location at the time of the theft.

Miss M noted that she had not received a policy booklet from AIA – so she felt it hadn't given her all the information she needed to comply with the policy. And she didn't think the policy was fit for purpose. She also noted that it had not drawn the exclusion to her attention – so she didn't feel it had advised her properly during the sale.

AIA issued a final response letter to Miss M on 11 August 2023. It said it had asked her where the motorhome would be kept when not in use and provided her with a policy accordingly. It referenced the policy documents she'd said she had received, that these detailed important information about where the motorhome should be kept. It apologised for not sending the policy booklet. Miss M complained to the Financial Ombudsman Service.

Our Investigator felt the policy hadn't been miss-sold to Miss M. So he didn't uphold the complaint.

Miss M said it was AIA's duty to explore her usage and explain important terms. She said it hadn't explained to her what was meant by 'storage' and given the size and weight of her vehicle she felt AIA should have foreseen that this term was important. Miss M said that as AIA had apologised for not sending her the policy booklet, this clearly showed it had breached its duty of care. She asked for an Ombudsman's 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 think AIA should have made sure to send Miss M all the important policy documentation. But I don't think it's failure in that respect materially changed anything. And I don't think it miss-sold the policy to her.

As a broker completing an advised sale AIA had a duty to make sure it provided a policy which met Miss M's demands and needs. It also needed to tell her about any significant and unusual policy terms.

In the first respect, AIA's duty is not exhaustive. It can't reasonably probe into every aspect of Miss M's life and driving habits. I've listened to the call in November 2022 when the policy was arranged. Miss M and AIA discussed how she used the vehicle and the mileage she covered. AIA asked Miss M where the motorhome was parked when it wasn't in use. These were all important details in establishing what sort of policy would suit Miss M's needs. So I think it acted fairly and reasonably to establish what Miss M's needs were and then to provide a policy which would be capable of meeting those needs.

Like all policies though, the arranged cover contained exclusions. AIA, as I said, had a duty to explain any significant *and* unusual terms to Miss M. The exclusion in question here removes cover if the motorhome is not stored correctly. So it is a significant term. But it, or terms like it, are common to most policies like this. So it is not unusual.

AIA should have made sure to send Miss M all of the policy documents. But I understand that when Miss M arranged this cover, she had no foresight that she would need to park the motorhome away from her house for a period of time. I understand that at the time of the theft there had been a confluence of unforeseen factors; workmen outside her home, snowy weather causing bad road conditions and her being in contact with someone suffering from Covid-19. I'm not persuaded that even if Miss M had received the policy booklet, she would have spotted the term in question and remembered it a month or so later when those unforeseen circumstances arose. I also bear in mind that Miss M could have asked AIA for any missing policy documents had she been concerned about wanting to understand the cover in full.

So I don't think AIA did fail her during the sale of the policy or that it did anything wrong which caused Miss M to be in a worse position than she otherwise would have been in. As such I'm not upholding this complaint.

My final decision

I don't uphold this complaint. I don't make any award against Advanced Insurance Agencies Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 24 May 2024.

Fiona Robinson
Ombudsman