

## **The complaint**

A limited company, which I will refer to as C, complains about the service it received from Advisory Insurance Brokers Limited trading as Towergate Insurance Brokers when seeking quotes for a commercial insurance policy.

## **What happened**

Both parties are aware of the circumstances surrounding this complaint. So, the following is intended only as a brief summary. Additionally, even though specific individuals have been involved in the circumstances, I have largely just referred to C and Towergate.

C had an existing commercial insurance policy through a third-party insurer, which I will refer to as N. C seemingly also had, as part of this arrangement, an agreement in place whereby it had agreed to continue to place its insurance with N for a number of years. I have referred to this long-term arrangement as an LTA. The exact details of this LTA are not clear.

In August 2023, C was unhappy with the renewal quote it had received from N, and with requirements N had about certain measures it needed to introduce in order to be insured. So, C approached Towergate asking it to obtain and provide quotes for a policy with alternative insurers.

Towergate asked C for further details on its requirements and circumstances, which was received in late September 2023. Towergate then sought quotes from a number of different insurers.

As its policy was due for renewal on 26 October 2023, C chased Towergate for an update. It appears Towergate attempted to contact C, but didn't provide a significant update until 24 October. Towergate informed C that most insurers it worked with were not offering cover unless C introduced intruder and fire detection measures to its premises. Towergate did say that some insurers had offered cover, but at high prices.

C complained that this had left it with no option but to renew with N and introduce the measures it required. And C thought Towergate ought to have provided it with this information at an earlier date. In responding to the complaint, as well as referring to the alarm requirements and the more expensive cover options, Towergate referenced the LTA.

C brought its complaint to the Ombudsman Service. However, our Investigator did not recommend that it should be upheld. He thought Towergate ought to have contacted C in mid-October 2023 – when it had received a number of responses from different insurers – to explain the difficulties it was having. But he also didn't think this had caused C a financial loss in the circumstances.

C remained unsatisfied and its complaint has now been referred 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 am not upholding this complaint – largely for the same reasons as our Investigator.

I do not consider Towergate would have been able to begin the process of obtaining quotes until it had received the information it required from C. It asked for this information in August 2023, and did not receive it until late September 2023. So, this left about a month before C's policy was due to renew.

That said, it doesn't seem Towergate then approached all insurers as early as it could have. It seems a number of insurers were not contacted until 6 October 2023. However, ultimately, responses were received from the majority of these by mid-October. And I agree with our Investigator that, at this point, Towergate ought to have contacted C to make it aware of the situation – i.e. that very few insurers were willing to offer cover for the existing circumstances and that, those that were, would charge a high price.

So, I agree Towergate ought to have acted differently.

This is only the first stage in considering this complaint though. Just because a respondent business – in this case Towergate – has made an error, it does not automatically follow that anything is required to put things right. It is necessary to consider the impact of this error on the respondent. And to consider if there is anything that requires putting right.

I appreciate that finding out there would not be alternative option only two days before renewal would've been frustrating for C's directors and the specific employee engaging with Towergate. However, the complainant in this case is a limited company and so is a legal entity in its own right. I am only able to consider the impact on the company. And a company is unable to suffer distress or frustration.

A company is able to suffer inconvenience. And I do note that C had to chase Towergate on several occasions. There was, it seems, some difficulty with the relevant individuals communicating with each other at a time they were both available. But Towergate could have done more to assist here – either by providing an emailed update or arranging a time when both could be available. However, the impact of this appears to be limited to attempting a couple of phone calls and sending brief emails. I do not consider this level of inconvenience to be material enough on a limited company to warrant any redress.

I've considered if there was any financial impact from Towergate's failings. C has referred to the increased cost of the premium it had to pay N, and the cost of introducing the measures it required. But these are not costs Towergate was responsible for. C's renewal with N does not appear to be a consequence of how long C had between being informed by Towergate and the date of renewal. It is notable that C does not appear to have been able to – or even that it attempted to – install alarms and find alternative cover within the cancellation period that N would have provided, or even subsequent to this within the policy period. So, even if Towergate had informed C earlier, I don't think it would've been in a different position.

Lastly, I note that the response from Towergate referenced the LTA. The reference here is largely limited to explaining that Towergate itself wouldn't recommend breaching this. And the response does not say that the reason it was unable to provide quotes from alternative insurers was the existence of this LTA. These points appear to be correct.

Towergate do appear to be trying to use the existence of the LTA to argue that its actions were not time sensitive. I do not agree with this. It would have been C's choice whether to breach the LTA (or ask N to confirm it had been invalidated by the requirements N had), so if

suitable alternative cover had been available C may not have renewed. But I do not consider Towergate gave C contradictory information here. The response then went on to confirm that the issues with getting quotes were C's circumstances and the prices offered, which is accurate.

Ultimately, whilst I agree Towergate ought to have provided C with an earlier update on the issues it was having in obtaining alternative quotes, I do not consider this failing had any material detriment on C. It follows that I am unable to fairly and reasonably ask Towergate to do anything more in the circumstances of this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 12 May 2025.

Sam Thomas  
**Ombudsman**