

## **The complaint**

Mrs R complains about the service provided by Advisory Insurance Brokers Limited ("AIB") in relation to a claim on her business protection insurance policy.

## **What happened**

In November 2015 Mrs R took out a commercial combined insurance policy for her business. AIB is a broker. It sold the policy to her but isn't responsible for the cover. That was provided by an insurer, which I'll call G.

Mrs R made a claim on the policy in September 2016 relating to the loss of property including business equipment and stock.

G went into liquidation and a trustee in liquidation was appointed. The trustee instructed a firm, which I'll call E, to oversee any outstanding claims and later on, claims handlers were also instructed.

The claim was progressed but Mrs R is unhappy with the way it has been dealt with. She says she contacted AIB for help with the claim but wasn't satisfied with its actions.

In August 2022 she complained that:

- the claim has been passed to different people over the years
- there have been lots of delays and poor communication – she doesn't know who's dealing with it or who she should contact.

AIB says claims handlers were appointed to deal with the claim on behalf of the insurer and it isn't responsible for the claim.

Our investigator considered the complaint and didn't think it should be upheld. She said AIB was only responsible for the sale of the policy, not the claim; any issues with the way the claim was handled are not AIB's responsibility.

Mrs R provided further comments, in particular that she had signed a claim mandate authorising AIB to deal with the claim, but the investigator didn't change her view. So the complaint has been passed 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 relevant industry rules and guidance say insurers must deal with claims promptly and fairly and not unreasonably reject a claim. They should settle claims promptly once settlement terms are agreed.

AIB is not an insurer; it's a broker. It sold the policy to Mrs R but didn't provide the insurance. The insurer – G – is responsible for that.

In this complaint I'm only considering whether AIB is responsible for the way the claim has been dealt with. G was responsible for the claim but went into liquidation. The trustee arranged for a firm called E to deal with the claim and a claims handler was later appointed. These firms dealt with the claim on behalf of G. Mrs R had correspondence with both firms about the claim. Any concerns about how they dealt with the claim are not AIB's responsibility.

Mrs R signed a claim mandate in December 2017 authorising AIB to deal with the claim. But AIB has explained that

- When she signed that mandate, there were different firms using the same brand.
- One of those firms was a claims handler, but it was acting under delegated authority from the insurer and was assisting clients with claims under the Financial Services Compensation Scheme ("FSCS") after G went into liquidation. Its role was limited to that.
- The claims handling was then passed to claims handlers.

Even if another firm which is part of the same group of companies as AIB assisted with the claim in the past, it was only doing so in a limited way and on behalf of the insurer. AIB isn't an insurer and is not responsible for claims made on the policy.

The claim has been going on for a long time and Mrs R has explained the difficulties she has experienced. I appreciate it has been difficult for her. But she can contact either E or the claims handler regarding the claim. AIB didn't appoint either of those firms and is not responsible for claims on the policy.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 7 May 2024.

Peter Whiteley  
**Ombudsman**