

The complaint

Mr D and Mrs D are unhappy with the details Kennett Insurance Brokers Limited (Kennett) provided to an insurer when taking out a new buildings insurance policy.

What happened

Mr D and Mrs D had used Kennett to place their buildings insurance policies for more than 40 years. They said in 2003 they made a claim for subsidence and Kennett helped with that process.

In the summer of 2022, Mr D and Mrs D logged a claim for subsidence with their insurer. Their insurer later identified a discrepancy with their application which had said the property was free from subsidence, but the earlier subsidence claim from 2003 hadn't been declared. The insurer avoided their policy.

Mr D and Mrs D complained to Kennett about the incorrect information in the application. Kennett issued their final response letter in December 2023. This said Kennett accepted the information provided to insurers didn't declare the previous subsidence claim, but said Mr D and Mrs D had never identified the inaccuracy in not reporting the claim. Kennett also said Mr D had been told not to move his buildings insurance from the insurer who had dealt with the claim made in 2003 but he had asked them to do so.

Unhappy with Kennett's handling of the matter Mr D and Mrs D referred their concerns to the Financial Ombudsman Service for consideration. One of our investigators looked into what happened and she said Kennett had wrongly removed the subsidence claim and should pay compensation for this, but she also said Mr D and Mrs D ought to have ensured the information provided on the documentation was correct.

Mr D and Mrs D didn't accept her conclusions, so this case 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.

In the first instance, I think it's helpful to set out that there isn't any dispute in 2003 there was an incidence of subsidence at Mr D and Mrs D's home. Kennett was their broker then and was aware of a subsidence claim. And since this time, Kennett has acted on Mr D and Mrs D's instructions to arrange their buildings insurance.

In relation to the current subsidence claim, Kennett accept the 2003 subsidence claim wasn't declared to the current insurers. Kennett said they cannot be certain as to how or why this happened. Kennett says it's relying on the standard wording used by most insurers that requires a customer to ensure the information provided when entering into a new contract of insurance is correct. They say Mr D and Mrs D ought to have checked their paperwork each year and alerted Kennett to the fact the subsidence claim was missing.

I've looked at the paperwork provided by Kennett. The 2014 documents asked Mr D and Mrs D if their home was free from any sign of damage by land slip, heave, or subsidence. The answer given to this question was yes. And in the section relating to previous claims, there's only a reference to a damaged garage door when, by all accounts, there should also be the subsidence claim from 2003 recorded.

The remainder of the demands and needs statements (from 2017, 2019, 2020 and 2021) all reference a subsidence excess. I can see why Mr D and Mrs D might have assumed all was well with their insurance policy given the correspondence from Kennett over the years included an excess for subsidence claims. But some of the policy schedules ought to have alerted them to the fact the subsidence claim wasn't declared in a claims history section – though not all insurers asked for this. And whilst I understand there was an element of trust placed in Kennett by Mr D and Mrs D, I still think it would have been helpful for them to have checked the paperwork themselves.

Given the passage of time, we can't know exactly what action caused the subsidence claim to be removed from Mr D and Mrs D's records. It seems likely the error in removing the subsidence claim rests with Kennett and occurred sometime before the 2014 policy was taken out.

Kennett accepts it ought to have checked the details more closely when arranging policies for Mr D and Mrs D. We've separately considered the action taken by the insurer in relation to the 2022 subsidence claim. I understand what Mr D and Mrs D say about trusting Kennett to place their insurance and had done so for over 40 years and so their handling of this matter has caused avoidable distress. So, in the circumstances, I consider the compensation of £150 appropriate in the circumstances.

Putting things right

Kennett should pay Mr D and Mrs D £150 compensation to reflect the distress and inconvenience caused.

My final decision

I uphold this complaint and require Kennett Insurance Brokers Limited to take the action set out in the "Putting things right" part of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 23 April 2025.

Emma Hawkins

Ombudsman