

## The complaint

Mr P and Mrs T have complained that Premier Insurance Brokers Ltd ('PIB') incorrectly advised that they would be covered for break-in damage under their home insurance policy, when in fact they weren't covered.

## What happened

In February 2022, Mr P and Mrs T purchased a home insurance policy through PIB as their broker. They'd explained to PIB that they were purchasing a property and were going to carry out renovation works in due course. PIB asked Mrs T to let PIB know when works were due to commence so that suitable insurance cover could be arranged. The policy was then renewed in February 2023. Unfortunately, Mr P and Mrs T's property was broken into in May 2023, causing damage to a window, replacement of which cost approximately £1,000.

When Mr P and Mrs T made an insurance claim in this respect, their insurer declined the claim as they weren't covered for the damage under their policy. This was because the policy contained an exclusion clause in the case of theft or attempted theft where damage occurred after the home had been left unoccupied. It said that this applied when the home hadn't been lived in, furnished, and slept in frequently for more than 60 days in a row, and that this was the case in relation to the claim.

The insurer recognised that Mr P and Mrs T hadn't misled anyone regarding the presentation of the risk on the property, however it declined the claim and said that it had applied the policy terms correctly. Mr P and Mrs T considered that PIB had provided incorrect advice to them about the policy. They felt that PIB had specifically confirmed that they would be covered for such loss, provided they regularly visited the property. They also felt that PIB had been made fully aware that the property was under renovation and unoccupied. Mr P and Mrs T complained to PIB, however didn't hear back and therefore referred their complaint to this service.

The relevant investigator upheld the complaint. However, he noted that PIB hadn't provided any information to the service in relation to this complaint and his view was therefore based on limited information. Overall, he said he was satisfied that PIB did misadvise Mr P and Mrs T regarding their policy and considered that this was the cause of their financial loss.

PIB didn't engage with the service and didn't respond to the investigator's view. PIB has since made it clear that it wasn't aware of the complaint and had been experiencing technological problems in relation to receipt of e-mails. The matter has therefore been referred to me to make a final decision in my role as Ombudsman. In May 2024, I issued a provisional decision for this complaint and explained why I was minded to partly uphold Mr P and Mrs T's complaint as follows; -

*'The key issue for me to consider is whether PIB treated Mr P and Mrs T in a fair and reasonable manner in relation to the service it provided when arranging their insurance policy. In determining this matter, I've also considered the submissions of the parties, as summarised below.*

Turning firstly to Mr P and Mrs T's submissions, they said that they'd been fully transparent in telling the broker that the house would be undergoing renovation for a while, and they'd raised the issue of the definition of 'unoccupied'. Mr P and Mrs T weren't living in the property during the renovation, however they said they visited it on a weekly basis. They said that the broker confirmed in writing, that as long as they visited the property once every 60 days then they'd be covered.

Mr P and Mrs T said that they were then targeted by burglars who broke a window. When they made their claim to the insurers, it said that the broker was at fault. They then tried to contact the broker; however, it didn't get back to them when they'd asked for an update. They said they'd been affected financially and emotionally and were seeking compensation of £2,000. They said that the window replacement cost around £1,000 and they'd also spent £1,000 on insurance which didn't offer cover.

I turn now to PIB's submissions. It said the first it heard about the complaint was in March 2024, due to issues it had experienced in receiving e-mails. It said if it had known, it would immediately have addressed the complaint. It then provided documents and telephone recordings. It said that the definition in relation to occupancy was provided in the policy booklet and was also pointed out in the call recording. PIB confirmed that it contacted the insurance provider which had confirmed that the policy was still live, and no premiums had been returned. PIB said that Mr P and Mrs T had called in June 2022 to change the status of the policy to non-occupied, and this query was referred to the insurer, because the provider didn't allow the broker to make any amendments after 14 days of the policy being live.

PIB's notes show that when seeking a quote in February 2023, Mr P and Mrs T indicated they'd need an unoccupied renovations policy when ready to start work, as they didn't have a date set at that point. It showed that at the end of June 2022, Mrs T phoned to say that the works were being done, and that the property would be unoccupied for a certain amount of time and wanted to ensure cover. The notes show that this query was passed to the insurance provider and not handled by PIB. The notes also show that Mr P and Mrs T telephoned PIB in May 2023 to ask, as renovations were happening and they only visited the house and didn't sleep there, whether their insurance was still valid. PIB said it would ask the question and come back to them. Six days later, Mr P and Mrs T telephoned PIB to say that they'd been burgled, and PIB advised them to telephone the insurer itself.

The telephone recordings show that when Mrs T telephoned PIB to arrange insurance, she made it clear that Mrs T and Mr P were buying a property and that they weren't going to be living there. She specifically referenced 60 days' non-occupation clauses and the fact that renovations would be taking place in due course, and the policyholders would be visiting the property every week or every other week. PIB's agent explained that the home insurance policy wouldn't cover the renovation period at all and that there would then be a need to change over to unoccupied renovations policy. However, he said that he could set up the home insurance policy which would cover the property following purchase. He said; 'please please' check all the policy wording again to understand the limitations of cover and; 'please please please' phone back when Mrs T and Mr P intended to start the work.

It appears that Mrs T did indeed telephone in June 2022. In this call, Mrs T made it clear that she needed to upgrade the insurance. She confirmed that the house was unoccupied, and she thought that it wasn't insured. The agent said that he would need to check the position with the insurers, and he then transferred the call to them. There is no record of the insurer's discussion with Mrs T and no evidence of the outcome of that particular call, nor is there evidence of any further follow-up call from PIB.

Finally, PIB's letter to the policyholders regarding renewal in February 2023 makes it clear that Mr P and Mrs T should carefully check the cover to make sure it still met their needs. It's

also noted that the quotation and application statement made it clear that the police was sold on a 'non advised basis'. This means that there's an onus upon the policyholder to check all the details of a policy for themselves.

I now turn to my reasoning for this provisional decision. The relevant policy excluded the damage in question as the relevant provision stated as follows: 'Theft or attempted theft - What's Not Covered: Loss or damage occurring after your home has been left unoccupied'. It said that the policy defined 'unoccupied' as, 'when your home has not been lived in by you or any other person with your permission for more than 60 days in a row (lived in means fully furnished and slept in frequently).'

Having considered the submissions and evidence in the light of the policy terms and conditions, I partly uphold Mr P and Mrs T's complaint for the following reasons. I can't say that PIB acted entirely unfairly or unreasonably at the time of the policy sale to Mr P and Mrs T. Having listened carefully to the relevant telephone recording, the agent made it clear to Mrs T that the home insurance policy would provide cover in the interim following purchase of the property and before renovations commenced. He did stress the need for Mr P and Mrs T to contact PIB again once renovations commenced. He also stressed the need for Mr P and Mrs T to check the policy for themselves. It was also clear from subsequent correspondence that this was a 'non-advised' sale.

From listening to the relevant telephone calls, it's clear that the agent's manner and approach was exemplary, and he was clearly attempting to assist the customer. Having said that, I do consider that the agent should have made sure that Mrs T had clearly understood the position. That is, whilst regular visits to the property over the first 60 days of ownership may well have meant that the insurance policy would cover the property in the event of an attempted theft, it would no longer do so after that period, and where it wasn't fully furnished and slept in frequently.

Therefore, whilst I'm satisfied that there is an onus on the policyholder to themselves check the exact wording of the policy, I do consider that PIB could have provided clearer advice and information. I also appreciate that PIB stated that they were acting on a 'non advised' basis, however having listened to the call, PIB did provide active advice and guidance. This was likely to have provided reassurance to Mr P and Mrs T that the policy would cover them until works commenced, whatever the timescale for their commencement.

In the event, however, Mrs T did seek to 'upgrade' her insurance policy in June 2022 in the light of the fact that renovation works had commenced. On the balance of probabilities, this implies that Mr P and Mrs T had realised that the home insurance policy no longer covered them. Whether this realization came through reading the policy booklet in full or due to the guidance previously given by PBI's agent isn't known. Nevertheless, it's clear that PBI passed or attempted to pass Mrs T's call through to the insurer so that this could be resolved directly by the insurer. There is then no available information to explain, what, if anything, the insurer had advised in relation to an 'upgrade' or a fresh policy to cover the renovation phase of the property. After Mr P and Mrs T's realisation however, there's no evidence to show that PBI had a further role in advising upon the upgrade and subsequent renewal.

I note the e-mail exchange between PBI and Mr P and Mrs T in May 2023, six days before Mr P and Mrs T reported the break-in. In that exchange Mr P and Mrs T specifically asked about the cover in relation to an attempted break-in to the property which they were visiting on a weekly basis, and the response was as follows; 'I can confirm that theft from the property is still covered as long as you visit the property regularly - Cannot exceed not visiting the property in a total of 60 days in a row.'

What is unclear is whether Mr P and Mrs T were already aware of the break-in at the time of this e-mail exchange, however it's not necessary to determine this particular point. Mr P and

*Mrs T's complaint is about advice given at the point of sale. I agree that the statement of May 2023 was misleading as it clearly implies that visiting (as opposed to sleeping regularly at a fully furnished) property would suffice, and this, in itself, will have caused additional confusion and frustration, particularly as Mr P and Mrs T's claim was declined shortly after this.*

*In the circumstances, I can't say that PIB is responsible for the fact that Mr P and Mrs T weren't covered by their insurance at the time of the break-in. In June 2022, they appeared to recognise that the home insurance policy didn't provide adequate cover, and they were then put in contact with the insurers. Up until the week before the break-in was reported to the insurer, it doesn't appear that PIB had provided any further advice about the adequacy of the on-going cover. In the circumstances, I can't say that PIB should be held responsible for meeting the cost of the window replacement due to lack of appropriate cover. Nor can I say that it should be required to meet the cost of insurance premiums which hadn't covered Mr P and Mrs T's needs.*

*However, I do consider that PIB's advice at the point of sale could have been much clearer, as it may well have caused confusion, as highlighted by the incorrect advice which was given in May 2023. Whilst the onus is indeed upon policyholders to ensure that a policy meets their needs, in this case, I consider that the service provided by PIB at the point of sale is likely to have exacerbated matters. It was also likely to have contributed to the frustration felt by the policyholders when their claim was ultimately declined by the insurer. In all the circumstances, I provisionally conclude that PIB should pay compensation of £250 for the confusion and frustration caused to Mr P and Mrs T.'*

In my provisional decision, I asked PIB and Mr P and Mrs T if they had any further comments or evidence that they would like me to consider before I made a final 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.

Neither PIB nor P and Mrs T provided any further comments or evidence in response to the provisional decision issued in May 2024.

I've again considered the evidence to determine a final outcome. In all the circumstances however, I consider that the provisional decision provides a fair and reasonable outcome to this matter.

### **My final decision**

For the reasons given above, I partly uphold Mr P and Mrs T's complaint and I require Premier Insurance Brokers Ltd to pay compensation of £250 to Mr P and Mrs T. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs T to accept or reject my decision before 12 July 2024.

Claire Jones  
**Ombudsman**