

The complaint

Mr and Mrs B complain about changes to a clause in their home insurance policy, arranged through Arthur J Gallagher Insurance Brokers Limited ('AJG').

Both Mr and Mrs B are named policyholders, so any claim or complaint is brought by them both. But for simplicity, and because most of the information about the complaint has been provided by Mr B, I'll refer mainly to Mr B from here onward.

What happened

Mr B arranged home insurance through his insurance broker, AJG, for more than 20 years. His home insurance policy included an endorsement relating to the large trees on his property. This endorsement ('the tree maintenance clause') said: "...*the tree/trees disclosed to us must be maintained at its/their current height and spread as shown on your previous Statement of Insurance.*" The tree maintenance clause had been in Mr B's policy since 2017.

The policy renewed in August each year. Mr B wrote to AJG ahead of the August 2023 renewal to ask it to clarify what the tree maintenance clause meant in practical terms. AJG didn't reply before the policy was renewed.

In September 2023, AJG told Mr B that the policy underwriter had clarified the wording of the tree maintenance clause. The clause now said that "*all trees and shrubs within 7 metres (22ft) of the home which are more than 3 metres (10ft) tall must be inspected by a recognised tree surgeon at least once every two years and managed in line with their recommendations.*" It also required Mr B to give written notice to his neighbours and/or local authority if any trees outside his property boundary met this definition (over 3m tall and within 7m of his home).

Mr B was unhappy because he felt this was much more than a clarification, and instead was a significant change to his policy. In his opinion, the new clause was "*more onerous, bureaucratic and costly*" because it changed how he would have to maintain his trees. He previously maintained them on a three year cycle. His insurer now required him to do this every two years. He also felt that the new requirement ignored the role of his Local Planning Authority (LPA), particularly regarding tree protection (including Tree Protection Orders) in conservation areas. His LPA managed its trees on a three year cycle. Finally, Mr B thought AJG should have highlighted this change before he'd renewed his insurance.

AJG apologised to Mr B for the inconvenience and distress this change had caused him but said the policy underwriter wouldn't agree to a three year tree maintenance cycle. It asked Mr B to accept the new wording.

Mr B refused and complained to this service. He believes AJG acted unfairly, both in relation to the new clause wording and by not telling him about this before his policy renewed.

Our investigator recommended that the complaint should be upheld. He found that AJG hadn't provided clear information to Mr and Mrs B ahead of policy renewal and thought it should have handled the issues around the new policy wording better. He recommended

that AJG pay Mr and Mrs B £300 to reflect the distress and inconvenience this caused them.

Mr B didn't accept this, so the case was passed to me to review.

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.

Mr B has made detailed submissions to this service to support his case. I can assure him that I've looked at everything he's said, however I don't think I need to comment on every point he's made to reach the right outcome. I've focused instead on what I think are the key issues.

Also, ombudsmen decisions are published so are written in a way that prevents the customer from being identified. The unique circumstances of Mr B are well known to both parties. If I'm vague about them it's to keep Mr B from being identified, not because I've ignored them or think them irrelevant.

This started as a complaint about changes to the tree maintenance clause in Mr B's policy. As his complaint progressed, Mr B raised other issues with us. He wants us to "*ensure [AJG] run their business in a proper manner.*" However, that's the responsibility of the Financial Conduct Authority (FCA), not this service. Our role, in broad terms, is to resolve complaints between financial businesses and their customers.

In this case, I need to decide if AJG acted fairly when it renewed Mr B's policy and communicated the wording changes to him. I'm unable to address some of the other issues he's raised with us, such as his concerns about AJG's panel of insurers, the relationships between AJG and others, and his property's flood risk.

I'm satisfied that Mr B contacted AJG in July 2023 about the tree maintenance clause. AJG didn't reply to him until late September 2023, when it told him that it had been in touch with his insurer, who had "*clarified*" the clause.

I understand Mr B's concerns about the new wording. I agree with him that it goes further than a simple clarification. I think the clause has changed from a general term about tree maintenance to a more explicit requirement about professional inspections and formal notifications to third parties. It isn't clear to me why his insurer insists that a tree surgeon must inspect Mr B's trees every two years, particularly given the reasonable arguments Mr B put forward to explain why this was both unnecessary and difficult in practice. I understand why he thinks the new clause is onerous and I sympathise with him. However, this was a change imposed by his insurer and not something that AJG, as broker, had any control over.

Having said that, I agree with our investigator that AJG caused Mr and Mrs B some distress in its handling of this matter. Specifically, I find that AJG:

- Didn't reply to Mr B's question about the practical meaning of the existing tree maintenance clause before his policy was renewed in August 2023.
- Presented the new wording of the clause as a "*clarification*" rather than a significant change.
- Created uncertainty by telling Mr B he had to accept the new, more onerous and costly clause or find cover elsewhere.
- Confused matters by telling Mr B that his insurer had added the new clause to his policy. It later confirmed this wasn't correct and the old clause was still in effect.

As our investigator explained, the relevant insurance industry rules have always required businesses to give clear information. This is now set out further under the Consumer Understanding outcome of the Consumer Duty principle. This explains that businesses must give consumers the information they need, at the right time, and presented in a way they can understand so they can make informed decisions.

As I've said, I think AJG could have been clearer. This would have helped Mr B make an informed choice about whether to renew his home insurance given the proposed change to the tree maintenance clause. I think AJG had enough time to do this ahead of the policy renewal date, and I think its communications with Mr B were confusing and its overall handling of the matter inadequate.

I've considered the level of award this service makes in similar cases, and I've considered Mr and Mrs B's personal circumstances. Having done so, I agree with our investigator's recommendation that AJG should pay Mr and Mrs B £300. I make no other order or award.

My final decision

My final decision is that I uphold this complaint and order Arthur J Gallagher Insurance Brokers Limited to pay Mr and Mrs B £300 to reflect the distress and inconvenience its handling of this matter has caused them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 18 November 2024.

Simon Begley
Ombudsman