

The complaint

Mr A complains about Peter Best Insurance Services Limited ("PBISL") and the clarity of their sales process when he purchased motor insurance through them in their role as a broker.

What happened

The claim and complaint circumstances are well known to both parties. So, I don't intend to list them chronologically in detail. But to summarise, Mr A purchased motor insurance through PBISL who were acting as a broker in the sale. The insurance itself was underwritten by a separate insurer.

But Mr A was unhappy with this sales process, and the information supplied to him. He didn't think he was made reasonably aware that an agreed valuation option was available, and in his best interest to choose. And he was unhappy with the validation steps he was asked to go through when applying for this option, explaining why he didn't think PBISL made it reasonably clear exactly what information he needed to provide. So, he raised a complaint requesting that PBISL re-write their internal processes to prevent future customers experiencing the same inconvenience and disadvantage he felt he'd suffered.

PBISL responded to Mr A's complaint and didn't uphold it. They thought the policy documentation sent to Mr A made it reasonably clear that agreed value was an option, but not compulsory. And they felt it was made reasonably clear what information Mr A would need to provide to request this level of cover. They thought they had acted fairly when asking Mr A to resend new photographs, to ensure they were able to validate the agreed value of his cars, but they apologised for any inconvenience this process caused and provided feedback to the relevant department manager. Mr A remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn't uphold it. They explained why the Financial Conduct Authority's ("FCA") consumer duty was not applicable in this situation. And they explained why they felt the information PBISL supplied at the point of sale was reasonable, considering the sale was non-advised. Finally, they thought PBISL's valuation process for an agreed value was a fair one, with PBISL's expectation of receiving acceptable photographs to support Mr A's description of the cars conditions being reasonable. So, they didn't think PBISL needed to do anything more.

Mr A didn't agree. He maintained his view that PBISL had failed to provide reasonable guidance on what photographic evidence would be acceptable. And he set out the how need to obtain more photographs had inconvenienced him, considering where he kept his car and the travel and time it took to do so. Finally, he set out why he felt consumer duty not being applicable was semantics, considering the actions he has complained about occurring within the two weeks before the duty came into force. As Mr A didn't agree, the complaint has been

passed 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'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr A. I don't doubt the sales and agreed value validation process was more inconvenient than he expected it to be. And I've thought carefully about the time and effort Mr A has needed to spend engaging with PBISL to ensure the agreed value of his cars were accepted and put in place.

But I think it's important for me to set out exactly what our service is able to consider, and how. I note Mr A would like PBISL to review, and change, their internal processes to ensure himself and other customers are prevented from engaging with what he feels is an unreasonable process. But this isn't something our service is able to direct under the powers provided to us by the FCA. Instead, it would be for the FCA themselves to review, and direct change, to a business's internal processes, including any validation checks a business feel is necessary, as they form part of a business's commercial decision making which the FCA oversee and are responsible for.

And while I note Mr A has referred to consumer duty, this duty only applies to products and services from 31 July 2023. In this situation, while I appreciate the proximity to this date, Mr A purchased his insurance on 14 July 2023, with him engaging with the agreed valuation process on and around the 24 July 2023. So, as Mr A's complaint centres around the sale and agreed valuation processes, I don't think the duty applies here. I recognise Mr A feels this semantics, but the consumer duty deadline is one set by the FCA and so, our service is unable to deviate from this.

So, I haven't considered consumer duty, and its principles, when deciding this complaint. But I want to reassure Mr A our services approach mirrors many of the key features set out within the duty, as we must still be satisfied the actions PBISL took, and the advice they provided, was both fair and reasonable. And in this situation, I think they were. And I'll explain why.

I've first focused on the sales process and Mr A's belief that PBISL failed to make him aware that an agreed value would be best suited to his need. In this situation, the insurance Mr A purchased was sold by PBISL on a non-advised basis. So, there is a requirement on Mr A to read the policy documentation and ensure the scope of the cover meets his needs, rather than PBISL recommending what they think is best. But even so, I've seen the sale journey Mr A would've seen online, and I'm satisfied on PBISL's website, following on from the comparison website, it did list agreed value as an option of the policy, before going onto explain more information was available within the policy booklet and IPID.

And on the inception calls with PBISL that I've listened to, as Mr A didn't proceed to purchase the policy online, I've heard PBISL's agents ask on both calls if Mr A had any questions about the cover of the policy. On neither call did Mr A ask about the agreed value option. And on the second call where he made payment, Mr A himself confirmed he would read the documentation sent across to him, acknowledging the free cancellation period he had if he was unhappy with the cover.

I must also point out that not all insurance policies offer an agreed value option. So, I think PBISL were fair to process the policy initially on a market value basis, and leave it open to Mr A, and any other customer, to apply for an agreed value if they felt this better suited their needs.

So, I don't think I'm able to say PBISL did anything wrong regarding the sale process, or the information they provided during this. I've then turned to what I think is the crux of Mr A's complaint, which centres around the process he needed to follow to secure an agreed valuation.

I've seen the policy documentation Mr A was sent after he purchased his insurance on 14 July 2023. The documentation explains that to apply for an agreed value, Mr A needed to return an agreed value form which included the valuation Mr A was looking for, as well as a condition report where Mr A set out the condition he felt the cars were in.

Alongside this, the documents explained Mr A would also need to send at least six signed and dated photographs of the cars, explaining he *"must include pictures from all angles and include one of the interior and engine bay"*.

Mr A has set out why he thinks this direction should've been clearer, explaining how far the photos needed to be taken from. But from the instruction quoted above, I think it's reasonable to assume that there would be a requirement for the photographs to accurately show all of the car, and its condition, in order to allow PBISL to accurately assess its condition against Mr A's declaration. So, I think the onus was then placed on Mr A, and any other customer, to ensure any photos sent satisfied this request.

If Mr A was unsure of exactly what this entailed, I think he was able to contact PBISL for clarification. But I can't see that he did. And while it is unfortunate that the photos Mr A sent initially were deemed to not be of sufficient quality to allow the condition of the car to be confirmed, and an agreed value accepted, I must note PBISL, and the policy underwriter, were entitled to request any information they felt necessary to ensure the policy was validated correctly, in line with standard industry process.

So, while I do appreciate Mr A was required to travel to his car to obtain new photographs, I don't think this is because of anything PBISL has done wrong. And ultimately, it is Mr A's own decision on where, and how, he stores his cars.

I think it's also worth noting that, once PBISL had received satisfactory photographs, they proceeded to process and accept the agreed value in a timely manner, with confirmation being sent on 3 August 2023, two days after the policy inception. And he didn't need to claim on his policy in the two days prior, meaning there was no financial impact to him in terms of the value of the cars he insured.

So, while I do appreciate why Mr A feels the service he received during the agreed value process fell below what he'd expect, and what he may have received from previous insurers, I don't think I can say PBISL have acted unfairly and unreasonably and so, I don't think they need to do anything more on this occasion.

But I am pleased to see PBISL took Mr A's comments on board and agreed to provide his feedback to the relevant department, which I think shows them acting in good faith in response to Mr A's concerns.

My final decision

For the reasons outlined above, I don't uphold Mr A's complaint about Peter Best Insurance

Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 September 2024.

Josh Haskey
Ombudsman