

The complaint

A charity, which I'll refer to as O, complains that George Baker (Insurance Brokers) Limited (George Baker) mis-sold an insurance policy which wasn't suitable for its needs. O also complains that George Baker delayed renewing its policy on several occasions.

What happened

O took out a Charity Protect Plus insurance policy through its broker, George Baker. O said its policy was due to expire in March 2021, however, despite several requests to renew the policy, it wasn't actioned by George Baker until September 2021. O is unhappy that it was left without cover between March to September 2021.

At the September 2022 renewal, upon receipt of the draft policy schedule from George Baker, O paid the premium for the policy. O later discovered that the policy hadn't been renewed and therefore it sought cover elsewhere. After raising this with George Baker, they eventually refunded the premium O had paid.

O also said that it had recently come to its attention that the policy wasn't suitable for its needs because it wouldn't have covered any claims relating to the sale of alcohol. O explained that it required a policy for the charity hall, and due to the sale of alcohol, it also needed cover for the bar. O says George Baker didn't provide appropriate cover for the sale of alcohol.

Our Investigator upheld the complaint. He thought George Baker should pay O £500 compensation for the inconvenience caused by delaying the renewals of the policy and leaving O without cover. He also thought while it was likely the policy may have been mis-sold from what O has told the Ombudsman Service, he didn't require George Baker to take any further action as there hadn't been a financial loss.

George Baker didn't respond to our Investigator, so the matter has come to me for a decision.

Our rules

George Baker have not replied to requests for information on multiple occasions. Nor did they respond to our Investigator's view of the complaint explaining how they thought it should be resolved.

One of the objectives of the Financial Ombudsman Service is to resolve complaints informally and at the earliest possible stage, this is reflected in the rules:

DISP 3.5.1 The Ombudsman will attempt to resolve complaints at the earliest possible stage and by whatever means appear to him to be most appropriate, including mediation and investigation.

The rules also allow me to reach a decision on limited information:

DISP 3.5.9 The Ombudsman may: ...

(3) reach a decision on the basis of what has been supplied and take into account of the failure by a party to provide information requested

I'm satisfied this rule applies here as George Baker have failed to provide the information requested.

Alongside this, the rules allow the fixing of time limits for a response:

DISP 3.5.13 The Ombudsman may fix (and extend) time limits for any aspect of the consideration of a complaint by the Financial Ombudsman Service.

George Baker was first made aware of this complaint by the Ombudsman Service in July 2023.

On a couple of occasions, George Baker told our Investigator on the phone that they will respond, but it didn't happen. They also requested our Investigator emails them again so they can respond, which he did, but they didn't respond.

Our Investigator reminded George Baker of their obligations to provide information. He also gave warning that if there was no response an assessment would be made on the evidence currently held.

I'm satisfied time limits for information requests were appropriately set and communicated with George Baker.

Because of the non-cooperation of George Baker, I'm basing my decision on the information I have been provided with which is allowed under the rules:

DISP 3.5.14 If a respondent fails to comply with a time limit, the Ombudsman may:

(1) proceed with consideration of the complaint, and

(2) Include provision for any material distress or material inconvenience caused by that failure in any award which he decides to make.

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.

O says that George Baker delayed renewing its policy in 2021 and 2022, and also that the policy sold by George Baker was unsuitable for its needs.

George Baker hasn't responded to this, nor have they provided any information to evidence that it wasn't mis-sold by them.

I've considered everything I've been provided with, including the failure of George Baker to provide any information. Having done so, on the balance of probabilities, I'm persuaded by what O has told the Ombudsman Service about its policy being mis-sold and the renewals in 2021 and 2022 being unreasonably delayed.

Having said that, I agree with our Investigator that there hasn't been a financial loss as a result of the policy being unsuitable. I say this because, fortunately for O, it didn't need to

make a claim against the policy. I've also not seen any evidence that O could have taken out a policy which was suitable, for cheaper elsewhere.

Based on what O has said about needing the cover, I'm satisfied it would have taken out a policy. So, it's likely that in the circumstances, O would've taken out a policy which would have been either similarly priced or more costly than the policy in question, due to the increased risk. I'm therefore satisfied the mis-sale of the policy hasn't caused a financial loss.

I note that there was a period of six months on two occasions where O didn't have cover in place. While I appreciate O's concern that it was left without cover during this period, there hadn't been a loss which wasn't covered, and so financially O would have benefited from not having cover because it didn't pay for it.

Taking everything into consideration, I'm satisfied that this matter hasn't caused any financial detriment to O, but there has been a significant amount of inconvenience. I therefore think that George Baker should compensate O for this.

Putting things right

George Baker should pay O £500 compensation for the inconvenience caused by not actioning the policy renewals and leaving O without cover.

My final decision

For the reasons I've explained, my decision is that I uphold this complaint.

George Baker (Insurance Brokers) Limited should take the action I've outlined above in paying compensation to O.

Under the rules of the Financial Ombudsman Service, I'm required to ask O to accept or reject my decision before 18 October 2024.

Ankita Patel
Ombudsman