

The complaint

Two businesses B1 and B2 complain about how Arthur J. Gallagher Insurance Brokers Limited ("AJG") have administered a New Homes building warranty policy.

Mr C, a director of both businesses, brings the complaint on their behalf. For ease, I will refer to Mr C throughout.

What happened

The details of the complaint are known to all parties, so I won't repeat them in full detail here, Instead I'll focus on providing the reasons for my decision.

In summary, Mr C is unhappy AJG has moved administration of the policies away from a local contact whom which he could do business with face to face, to a call centre where he no longer has consistency with who he speaks to about business matters.

Mr C also complains about how long it took AJG to forward on a payment to him after the insurer of the policy cancelled the arrangement. He explains this took one month and he had to continually chase for the payment to be made.

An investigator here upheld the complaint and said AJG should pay Mr C £75 compensation to reflect the inconvenience caused by the delayed payment. However, she explained AJG was entitled to decide how it operates its business and therefore she couldn't make any suggestion that it does anything differently.

AJG agreed to make the payment the investigator suggested but Mr C asked for the matter to be reconsidered as he didn't think the full impact matters have had on him and his businesses, have been taken into account.

The 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.

I want to assure Mr C I've considered and thought carefully about all of the points he has made. The purpose of my decision isn't to address every single point the parties have raised or to answer every question asked. My role is to consider the evidence presented by both parties to reach what I think is a fair and reasonable decision.

In this decision I will not be considering the decision to cancel the warranty policy or whatever actions Mr C may believe AJG had in relation to this. I understand the cancellation of the policy by the insurer is being dealt with under a separate complaint reference at this service.

I understand Mr C's preference for face-to-face business transactions, and he has explained why he believes this to be beneficial. He has also explained that despite AJG telling him he would have a nominated person to deal with, this hasn't happened in reality as he has had communications from different people which is frustrating. However, while I recognise Mr C's thoughts and feelings here, it isn't my role to tell a business how it should operate on a day-to-day basis. AJG has made a commercial decision to move business to a call centre type arrangement, I can't see it has treated Mr C any differently to any other customer it may do business with. So, I don't think it has treated him unfairly here.

AJG said it has internal service standards in which to return any money. It said this payment, made a month after it was originally received, was only made a few days late. I haven't seen anything which verifies the timescales given, however I'm mindful this was a large payment of money and understandably it may have taken some time to process.

However, what I can see from the file is that it was highlighted to be an urgent payment, I can't see that Mr C's expectations were managed as to how long it may take, and it does appear that the payment could have been made quicker than it was. The payment process wasn't started until approximately nine working days after bank details were received and there was a further delay later in the process. During this time Mr C was constantly chasing for updates so I satisfied that he was put to some inconvenience in the way this matter was handled.

I appreciate Mr C has explained the wider impact on the two businesses of the whole matter however I'm satisfied that most of this stems from the actual cancellation of the policy, which is being dealt with separately. Having considered the level of inconvenience Mr C was put to because of the delayed payment, I think a payment of £75 compensation recognises this.

As Mr C is bringing this complaint on behalf of the two businesses, I can't compensate him personally for any distress he has been caused. Mr C himself is not the eligible complainant here, the businesses are, and as legal entities, they do not suffer distress.

Having considered everything, and for the reasons above, I uphold this complaint.

Putting things right

To put things right AJG should make a total compensation payment of £75 to B1 and B2.

My final decision

My final decision is that I uphold B1 and B2's complaint against Arthur J. Gallagher Insurance Brokers Limited. I direct it to put things right as I have set out in the section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask B1 and B2 to accept or reject my decision before 13 December 2024.

Alison Gore
Ombudsman