

The complaint

Mr F is unhappy with information Arthur J. Gallagher Insurance Brokers Limited trading as Discount Insurance (AJGIB) gave him about his landlord insurance policy.

What happened

Mr F owns a building which contains four flats. He lives in one and rents the others out. He says he's held insurance with AJGIB for number of years, though in September 2022 when he decided to renew his insurance policy he was told policies weren't offered on an 'owner-occupier' basis and they never had been.

Mr F became concerned this meant he hadn't had insurance in place since 2014 so he complained. He said to put things right he wanted a refund of premiums paid since he first asked AJGIB to place his policies on the basis he believed he had paid for insurance which wouldn't provide cover if he had needed to claim.

AJGIB responded to Mr F's complaint in July 2023. They said Mr F had been provided with incorrect information by their adviser. AJGIB said owner-occupier policies had always been available with the insurers Mr F had been insured with. They said the insurer had declined to requote on the most recent policy based on the estimated buildings sum insured value, but that AJGIB had another insurer who offered policies for buildings of similar estimated sum insured value.

Mr F remained unhappy with AJGIB's handling of his complaint and referred the matter to the Financial Ombudsman Service. One of our investigators considered what had happened and she said AJGIB had shown Mr F did have insurance placed that would have provided cover, and he had wrongly been told he didn't have cover. Our investigator said AJGIB should pay Mr F £100 for the worry and upset caused by the incorrect information.

AJGIB accepted these conclusions, but Mr F didn't. He said he thought it unacceptable incorrect information could be given to customers. He also mentioned he'd been told the value of his property was the reason for the policy couldn't renew. Our investigator said AJGIB had shown the buildings sum insured had been in excess of £1million over several renewals and thought suitable insurance had been in place. Mr F didn't agree, so this matter has been passed to me.

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'll turn first to the incorrect information given to Mr F by AJGIB's agent. The agent wrongly told Mr F that he hadn't been properly insured for a number of years. I've listened to the call and it's clear he found this information very concerning. However, it's acknowledged by AJGIB the information given during the phone call between Mr F and the adviser was incorrect.

AJGIB have provided copied of Mr F's insurance documents to show the owner-occupier status hadn't caused him to be uninsured for a number of years, as the adviser said. While I understand this was worrying for Mr F, I don't agree he has paid for policies that wouldn't have provided cover based on his owner-occupier status.

I've looked back at the statement of facts provided by AJGIB. These go back to the policy year 2017-2018. I can see from these the buildings sum insured has steadily increased from £803,598 until £1,124,446 for the policy year 2022-2023. I don't agree that the buildings sum insured has prevented Mr F from having a policy put in place for him. Though I note in their final response letter, AJGIB said given the building sum insured, they might only be able to provide a quote from one insurer. Given I haven't seen any evidence to suggest the policies were mis-sold by AJGIB to Mr F, I'm not going to ask them to refund any premiums he's paid over the years.

I appreciate Mr F feels very strongly that he's had poor service from AJGIB. It's clear the adviser wrongly told Mr F that he hadn't been insured for a number of years. This caused unnecessary worry and distress. I agree the £100 compensation our investigator recommended is sufficient in the circumstances for this incorrect information being given so I'm not going to ask AJGIB to pay any more.

Mr F has raised a number of wider concerns about AJGIB sales processes and how many other customers might have been impacted as he has. As our investigator said, these aren't matters we can directly investigate because we're not the regulator for the financial services industry. It'll be for Mr F to decide if he wants to take these wider concerns any further.

Putting things right

AJGIB should pay Mr F £100 compensation for the reasons set out above.

My final decision

I uphold this complaint and require Arthur J. Gallagher Insurance Brokers Limited trading as Discount Insurance to take the steps outlined in the "Putting things right" section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 6 January 2025.

Emma Hawkins
Ombudsman