

## **The complaint**

Mr M is unhappy that he didn't receive a 30% discount when he renewed his Taxi insurance policy as advised by Clegg Gifford & Co Limited (Clegg).

## **What happened**

Mr M took out a Taxi insurance policy via his broker, Clegg. Mr M said Clegg informed him he would receive a 30% discount on the premium if no claims were made in the first year.

Mr M was contacted by Clegg before the policy was due to renew and he was informed that the insurer couldn't offer renewal terms because its underwriting criteria had changed. This resulted in Mr M not receiving the 30% discount he was expecting.

Clegg explained that it had no control over the insurer's underwriting rates, criteria or appetite. However, it acknowledged that it hadn't fully managed Mr M's expectation about what could happen at renewal and therefore offered to pay Mr M £100 compensation.

Our Investigator said Clegg wasn't responsible for the insurer's decision about what cover to offer, but it had given Mr M the impression that renewal terms would be offered by the insurer, and that he would receive a 30% discount if he had no claims in the first year. This raised Mr M's expectation and Mr M should be compensated for the loss of expectation and inconvenience that was caused. He was satisfied that the £100 compensation offered by Clegg for the loss of expectation and inconvenience was fair and reasonable.

Mr M didn't agree with our Investigator, so the matter 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.

Clegg is an insurance broker. It sold the policy to Mr M but it was underwritten by an insurer. It's for the insurer to decide what risk it wants to accept and they will consider this when deciding whether to offer a policy and if so, how much to charge for it.

Clegg's responsibility was to ensure Mr M was given appropriate information so he could make an informed decision about whether to buy the policy. The information provided should be clear, fair and not misleading.

Having listened to the sale call which took place between Mr M and Clegg, I'm satisfied that the discount was presented as something that was going to happen, it wasn't presented as something Clegg would try and arrange, but was more definite than that.

It was for the insurer to decide what to offer and Clegg had no control over that. So it couldn't say the policy would definitely be renewed and a 30% discount would be applied. Mr M was led to think this would happen and in those circumstances, I don't think the information was clear.

Ultimately, it was for the insurer to decide what insurance to offer, and on what terms, and Mr M could then decide whether to accept what was offered. In the initial discussions, Clegg didn't explain clearly enough to Mr M that there might not be an offer of renewal after a year and so there might not be any opportunity for a 30% discount. But I'm satisfied from the evidence I've seen that Mr M needed cover and hasn't shown he would have done anything different if he had been given clearer information.

I'm satisfied that Mr M was caused distress and inconvenience as a result of the lack of clarity and the time he then had to spend to deal with things. In the circumstances, I think a payment of £100 is fair to reflect that.

### **My final decision**

I uphold the complaint and direct Clegg Gifford & Co Limited pay compensation to Mr M of £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 April 2025.

Ankita Patel  
**Ombudsman**