

The complaint

Mr O complains that Advisory Insurance Brokers Limited trading as Towergate Riskline recorded inaccurate information for his business protection insurance policy, which led to a higher premium being quoted to renew the policy.

What happened

Mr O has arranged insurance through Advisory Insurance Brokers for a number of years. He contacted Advisory Insurance Brokers in May 2023 to discuss the renewal of his insurance. He explained that he didn't need product liability insurance and wanted to reduce the cover limit on his public liability insurance.

He later made two complaints – first that Advisory Insurance Brokers had recorded incorrect information about his turnover, and secondly that the figure for wage roll was also wrong. He said this had led to the renewal premium quoted being much higher.

In response to the first complaint, Advisory Insurance Brokers said Mr O had not questioned the turnover figure, and it had done its best to obtain a lower quote based on the information it had.

On the second complaint, Advisory Insurance Brokers said:

- The figure appeared to have been added as a placeholder and, while it would have been better to have obtained an accurate figure, he had later confirmed the correct figure.
- In any event, the insurer had confirmed that the amount would not have affected the premium. He had been given the best price available.

Advisory Insurance Brokers accepted there had been some poor service and offered some compensation payments totalling £79.50 for that.

When Mr O referred the complaint to this Service, our investigator said:

- It wasn't clear how the turnover figure had been added but it was most likely this had been done by Advisory Insurance Brokers, and the wage roll figure had been added by them.
- But Mr O should have provided accurate information, and he should have checked what was recorded on the documents and let Advisory Insurance Brokers if it wasn't correct.
- The wage roll figure didn't have any affect on his cover and he decided not to accept the quote. So he hadn't suffered any loss.
- While he was concerned about potentially not being covered from 2018 to 2023, he had not needed to make any claims during that period.

Mr O didn't accept the investigator's view and has requested an ombudsman's 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.

This was a commercial policy. Under the relevant law (the Insurance Act 2015) Mr O had a duty to make a fair presentation of the risk. This means he had to disclose either:

- everything he knew, or ought to have known, that would influence the insurer's judgment in deciding whether to insure the risk and if so, on what terms; or
- enough information to put the insurer on notice that it needed to make further enquiries about potentially material circumstances.

It's not clear how the turnover figure came to be included, but on balance it seems likely this was added at an earlier date by Advisory Insurance Brokers rather than Mr O. So there was likely an error by Advisory Insurance Brokers at the beginning. However, as I've said, there was an onus on Mr O to provide accurate information. And the documents sent to him each year at renewal included this information, together with a warning that he should check the information and say if anything was wrong.

Even where a firm has made an error, that doesn't mean the customer can sit back and take no action; they should take reasonable steps to mitigate any loss. And, given the duty Mr O had to provide full and accurate information, together with the documents sent to him and the warnings about confirming the information was accurate, it would be reasonable to expect him to have told Advisory Insurance Brokers the figure was wrong, but he didn't do this until the renewal in 2023.

The incorrect figure for wage roll was recorded by Advisory Insurance Brokers, which has explained this was noted as a "placeholder". The correct figure should have been obtained, rather than what appears to have been an estimate, and I appreciate why Mr O might be concerned about this being added.

Having said that, this figure would only have been relevant for employer's liability cover and this wasn't included in the policy. So, this wouldn't have impacted the cover. In addition, I understand Mr O decided not to accept the renewal quote. So he didn't have a policy in place where the wage roll was incorrectly recorded as £20,000.

Mr O has raised concerns about potentially not being covered between 2018 and 2023. If he had needed to make a claim during that time, any decision would have been for the relevant insurer - Advisory Insurance Brokers only sold the insurance and wasn't responsible for any potential decisions about claims or whether to void a policy, if incorrect information had been provided. I can't say whether a claim might have been declined if there had been one, or whether a policy might have been voided, but Mr O hasn't needed to make a claim. In these circumstances, there's no evidence he's suffered any loss.

I appreciate Mr O is upset about inaccurate information having been noted but, for the reasons I've set out, I'm not upholding his complaint about this.

Advisory Insurance Brokers did accept there had been some poor service and offered some compensation. There was some correspondence about what was being offered, and Advisory Insurance Brokers confirmed the total was £79.50, but Mr O didn't confirm his acceptance and the compensation wasn't paid. Given there was some delay replying to Mr O, I think that offer was fair.

My final decision

Advisory Insurance Brokers Limited trading as Towergate Riskline has already made an offer to pay £79.50 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Advisory Insurance Brokers Limited trading as Towergate Riskline should pay £79.50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 27 March 2025.

Peter Whiteley
Ombudsman