

The complaint

Mr G, a sole trader, complains that he was mis-sold a commercial motor insurance policy by BISL Limited.

What happened

The following is intended only as a brief summary of events. Additionally, even though other individuals have been involved on behalf of both parties, I have just referred to Mr G and BISL for the sake of simplicity.

Mr G operates as an oven-cleaning business and had van that he used to facilitate this. To cover this van, he took out a commercial motor insurance policy, underwritten by a third-party insurer that I will refer to as W. The policy was first taken out in 2021, and renewed annually.

In 2024, Mr G had to claim on the policy. However, W avoided the policy from its 2023 renewal and so declined the claim. It did this on the basis that Mr G had not declared a modification to his vehicle. Mr G had a water tank installed in his van. And W considered this to be a modification and said it would not have insured Mr G had it been informed of this. Mr G has complained about W's actions separately, and another Ombudsman issued a decision in December 2024 concluding that W had acted fairly and reasonably.

Mr G has also complained that BISL mis-sold him the policy. Mr G has said that he declared the water tank on a previous policy he had taken out through BISL, and that he does not consider the water tank to be a modification that he needed to declare anyway. He brought his complaint about this to the Financial Ombudsman Service, but our Investigator did not recommend that it should be upheld.

Mr G remained unhappy, so his complaint has been passed to me for a 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.

Having done so, I am not upholding this complaint. I'll explain why.

Firstly, I will just note that Mr G has referred to a number of points within his submissions. I have considered all of these, and all of the evidence provided by both parties. But I will not be commenting on each aspect. Instead, I'll be focussing on what I consider to be the key issues. This is not intended as a discourtesy, but rather reflects the informal nature of the Financial Ombudsman Service.

Mr G has said that BISL carried out an advised sale. However, I do not agree with this. The initial sale in 2021 was made online, initially through a comparison website. And there is no indication that any advice was given. In 2021, and in all subsequent renewals, BISL sent Mr G a document that stated the sale was not on an advised basis. And I have seen nothing

to suggest BISL indicated to Mr G that it was providing advice at any time.

Regardless of whether the sale was advised or not though, a broker can only act based on the information provided by the customer.

Mr G took out his policy for the purposes of his trade, business or profession. As a result, the Insurance Act 2015 applies to these circumstances. This effectively required Mr G to disclose any circumstance that a prudent insurer would consider relevant to the risks posed by providing the insurance. That the water tank had been installed is a matter of fact, rather than belief – so Mr G was required to make a declaration that was substantially correct. I also consider that the installation of a water tank of the type Mr G had would be a circumstance that a prudent insurer would consider relevant. So, I think Mr G ought reasonably to have declared this at the time of the sale.

That said, given Mr G is a sole-trader and a small enterprise, I have considered whether applying the law strictly is fair and reasonable in the circumstances. And I have thought about whether BISL gave Mr G appropriate information that ought reasonably to have led him to disclose the water tank.

Mr G was clearly aware that he needed to declare modifications to his vehicle. He did so in relation to signwriting on the van. That he did not do so in relation to the water tank seems to be because he did not consider this to be a modification.

The water tank in question was installed into Mr G's van. It was not part of the original specifications of the vehicle. And my colleague has previously determined, in her December 2024 decision, that the tank was a modification that needed to be declared to W.

It should also be noted that, even though Mr G has said that he did not consider the tank to be a modification that needed declaring, he has also said that he did declare this previously to BISL.

I have been provided with images showing part of the sales process Mr G would've gone through in 2021. During the sales process of the policy Mr G had with W, he would have been asked:

“Has the car been modified in any way?”

A number of examples of what might be a modification were then listed. It is clear, given Mr G declared the signwriting, that he answered this question “yes”. This would then have opened up a further list where Mr G would be required to select the modifications the vehicle had. He would have selected “paintwork/stickers”, but did not also select the “accessories” option. Had he have done so, he would have been given a further list, which included “other”.

I do appreciate that Mr G would not have been specifically told as part of this process that the water tank would be considered to be a modification. But I think it would not be fair or reasonable to expect all possible modifications to be listed within the sales process. The water tank Mr G had installed appears to be quite common for his type of business. But the policy would have been sold to many types of business, each with their own different requirements. And trying to provide a list of possible modifications for all of these would not be practical. Taking this into account, I consider BISL provided Mr G with appropriate information in 2021 during the sales process, and in the documents provided to him at subsequent renewals.

Additionally, whilst Mr G did not declare the water tank when taking out or renewing the policy with W, he had previously declared this when taking out previous policies through the

comparison site he used in 2021. I consider this supports my conclusion that Mr G ought to have declared the water tank when going through the process to take out the policy with W. I also don't consider that the fact he had previously declare the water tank when generating other quotes means BISL ought to have told Mr G that he needed to disclose something further for the policy with W.

Ultimately, I have seen no evidence that BISL gave Mr G any advice. I consider the sales process made it clear that Mr G needed to declare any and all modifications. And I consider that Mr G ought to have appreciated that the tank he had installed was a modification. I have not seen any evidence that Mr G informed BISL about the water tank.

It follows that I do not consider BISL mis-sold Mr G the policy, and I cannot fairly or reasonably direct BISL to do more in the circumstances of this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 April 2025.

Sam Thomas
Ombudsman