

The complaint

Mr C has complained on behalf of D, a limited company, about the way H & H Insurance Brokers, trading as Smallholder Protect (“H”), sold it an insurance policy.

What happened

The circumstances aren’t in dispute, so I’ll summarise the background:

- D took out a Smallholder Protect insurance policy with H in May 2024. H is an insurance intermediary. The policy was underwritten by a separate company, A.
- Soon after, D bought a vehicle worth around £11,000. After it was stolen, D made a claim for it. The claim was declined on A’s behalf. The policy provided up to £5,000 cover for “Machinery & Tools” but a policy term excluded “all terrain vehicles / quad bikes”. I understand a company acting on A’s behalf said the vehicle met that description. And D seems to have accepted that was the case.
- D complained to H about the way it sold the policy. D said H hadn’t made this policy term clear during the initial sale or in follow up correspondence. Whilst it was in the full policy wording, D said it hadn’t been highlighted during the sales process.
- H said D didn’t query whether such vehicles would be covered when taking out the policy. H also said cover for such vehicles wasn’t standard for this kind of policy. And neither the sales process nor the policy documents indicated motor vehicles would be covered by the policy. H said it couldn’t highlight everything that wasn’t covered by the policy, so it focused on things that might normally be covered.
- Our investigator didn’t think the complaint should be upheld. He said H should have done more to highlight this policy term. But, even if it had, he didn’t think it would have made a difference, as D didn’t get in touch with H to add the vehicle to the policy in June 2024.
- D maintained the sale was unclear because it didn’t highlight the policy term. If it had been clear, the vehicle would have been insured elsewhere, and covered by the time of the theft – so D wouldn’t have lost out.
- Our investigator wasn’t persuaded to change his mind, so the complaint 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.

- When considering what’s fair and reasonable in the circumstances I’ve taken into account relevant law and regulations, regulators’ rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry

practice at the time. Whilst I've read and taken into account everything said by both parties, I'll only comment on the points I think are relevant when reaching a fair outcome to this dispute. That's a reflection of the informal nature of this Service.

- Under this complaint, I can only consider matters H is responsible for. A is responsible for the policy cover and the claim – so I can't consider those matters as part of this complaint. H is responsible for the sale, so that's what I'll consider.
- The sale was non-advised. That means H had a duty to provide information that was clear, fair and not misleading, so that D could make an informed decision about whether the policy was right for it. That includes appropriately highlighting any information or policy terms that are significant, onerous or unusual.
- The claim was declined because the policy excludes cover for "all terrain vehicles / quad bikes". D seems to have accepted this is a fair description for the vehicle.
- The policy provides cover for agricultural contents. Under this section, there's up to £5,000 cover for "Machinery & Tools". This was highlighted in the policy documents. The policy definition for "Machinery & Tools" is clear that all terrain vehicles are excluded – but this policy term wasn't highlighted in the policy documents.
- So I think the key question is whether this policy term should have been highlighted. And it should have been if it was significant, onerous or unusual.
- H says it's uncommon for this kind of policy to cover this kind of vehicle. I haven't seen any evidence to the contrary from D. So I don't think it's been shown that the policy term was unusual. Nor was it onerous, as it didn't require D to do anything.
- I think the policy term may have been significant if it amounted to a considerable reduction or limitation to cover. But I don't think that was the case here. The policy primarily covered buildings, domestic and agricultural, as well as liability and legal expenses. Agricultural contents was one of the lesser sections of cover, with "Machinery & Tools" one of several sub-sections of that cover. I think H could reasonably consider that sub-section was mostly concerned with equipment with direct agricultural purposes. I'm not persuaded that would usually include an all terrain vehicle or similar.
- The policy term may also have been significant if D had enquired about it or more broadly about cover for an all terrain vehicle or similar – during the sale or later, when it bought the vehicle. I understand D didn't make such an enquiry. So H couldn't have known the term may have been particularly relevant to D.
- Whilst there was no requirement on D to specify individual items of agricultural contents, there was a requirement to provide certain information before and during the policy. That included any circumstances or changes H may need to know about, a fair presentation of the risk in line with the Insurance Act, and ensuring sums insured represent the full extent of the risks to be covered.
- So when D bought the vehicle worth around £11,000 – and thought it had, at most, £5,000 of cover – it should have told H. Had it done so, I would have expected H to have recognised the policy term was significant and highlighted it then. I think it's likely that would have led to H telling D that A's policy wouldn't cover the vehicle – and D would have taken out cover elsewhere. But D didn't tell H, so H couldn't have taken these kinds of steps.

- Given all of the above, I'm not persuaded H should have considered the policy term was significant, onerous or unusual. As a result, I'm not satisfied it should have highlighted the policy term. And, even if it should have done, D didn't let H know when it bought the vehicle. So there wasn't an opportunity for H to let D know it wouldn't be covered and to direct D to take out cover elsewhere.
- In these circumstances, I'm not satisfied H sold the policy unfairly – or caused D to lose out when the vehicle was stolen.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 7 July 2025.

James Neville
Ombudsman