

The complaint

Mr W complains about the service he received from his broker in respect of a yacht and boat insurance policy.

Mr W's broker is an underwriting agent for Travelers Insurance Company Limited ('Travelers') who provided a final response to the complaint. As such, any references to Travelers in this decision includes reference to Mr W's broker.

What happened

Mr W held an insurance policy underwritten by Travelers to insure his boat which he used abroad in the Mediterranean. Mr W had insured his boat with Travelers since 2020; but the policy relevant to this complaint renewed in April 2024 on the basis that the boat was laid up. Mr W says he contacted Travelers in October 2024 to inform them he planned to start using the boat and wanted to amend his cover for the boat being commissioned for use. Mr W says when he spoke to Travelers on 1 November 2024 – he expected to pay the amended premium and had funds available to do so. But he explained that Travelers had told him the paperwork wasn't ready – but he would still be on cover as they had noted the risk "in the book".

Mr W says his subsequent actions were based on the assumption that cover was in place. However, Mr W says he received his insurance paperwork on 6 November 2024 which confirmed cover would be from that date, and not from 31 October 2024. Mr W got back in touch with Travelers to discuss this however he explained he wasn't able to pay the additional premium at that time due to another payment coming out of his account unexpectedly.

Mr W asked whether he could pay the additional premium on 26 November 2024 instead, but Travelers said they couldn't do this. Mr W remained unhappy with Travelers response and asked whether he could cancel the policy. He was told that he could and would receive a refund of circa £900. Mr W didn't cancel the policy and says the matter was left unresolved for several weeks until he subsequently paid the additional premium at the end of November 2024.

During this period, Mr W says a storm was predicted in the area his boat was located and he therefore moved it on the understanding that he had full "in commission" cover from 31 October 2024. Unfortunately, on or around the 23/24 November 2024, his boat was damaged due to the storm, and he duly raised a claim with Travelers.

Travelers declined to cover the claim under the policy as they said Mr W's cover was only applicable to when his boat was laid up and not when it was "in commission". Mr W felt this was unfair and said he had been given assurance over the phone on 1 November 2024 that he had cover. Unhappy with Traveler's response - he raised a complaint.

Travelers considered Mr W's complaint but didn't uphold it. They said they had emailed Mr W on 8 November 2024 to explain they couldn't provide "in commission" cover until the

additional premium was paid. And when this was at the end of November 2024 – they issued updated policy documents.

Mr W remained unhappy with Traveler's response to his complaint and brought it to this Service. He said it was unfair that Travelers didn't update his policy when he spoke to them in October 2024 as he had the money available to pay the updated premium, but Travelers hadn't accepted this. And he said the policy documents he originally received on 6 November 2024 were at odds with the verbal undertaking Travelers had given him on the phone.

An Investigator looked at what had happened but didn't recommend the complaint should be upheld. She noted that Travelers' call notes differed from Mr W's testimony and so she couldn't fairly conclude that Mr W had been told he had cover when he said he did. And she said that she couldn't conclude that Travelers had acted unreasonably by requiring that Mr W's vessel only be covered for "in commission" use once the additional premium had been paid, as this was in line with standard industry practice.

Mr W didn't agree with the Investigator's recommended outcome. He maintained his submissions and said he had been given assurances that the risk was "written in the book" and he understood cover to be in place on that basis. Mr W also explained that he didn't understand why Travelers had put the boat on risk from 6 November 2024 as this didn't align with his instructions. Mr W concluded that Travelers had failed in their duty of care to him by not taking payment and confirming cover in October 2024 as instructed.

Mr W asked for an Ombudsman to consider the complaint – so, it's 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.

Having done so, I've reached the same overall conclusion as the Investigator and I'm not upholding this complaint. I acknowledge this will be disappointing to Mr W – so I'll explain why.

I appreciate Mr W has made detailed submissions and I have found these very helpful in considering this complaint. But I won't be repeating the entirety of the complaint history here in my decision or commenting on every point raised. Instead, I've focussed on what I consider to be the key points that I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.

While I can see Mr W has raised concerns over the policy documents being issued with cover from 6 November 2024, as well as wider concerns over how Travelers handled his instructions, I don't intend to make a detailed finding on these points because I don't consider them to be the focus of this complaint. I say this because whether the policy was inception on 31 October 2024 or 6 November 2024 is largely immaterial to this complaint – given the damage Mr W wishes to claim for happened after both of these dates.

Instead, I think the crux of this complaint comes down to whether Mr W intended to make a payment on 1 November 2024, as he says. I think this is key to the complaint; because if he was denied this opportunity, this resulted in him not being able to make payment until late November 2024 due to his financial issue with another payment coming out of his account.

So, I've considered the available evidence to determine whether or not Mr W was likely to have tried to make a payment as he says.

I can see within the copies of call notes and emails between Mr W and Travelers in late October 2024 that there was a discussion around the cost of the amended cover, and it appears Mr W was unhappy with the price quoted due to the duration and extent of cover.

Mr W's recollections are that he spoke to Travelers on the phone on 1 November 2024 to enquire about amending his cover to "in commission" use and says he was given a verbal undertaking this would be actioned – but wasn't able to make a payment as Travelers said the paperwork wasn't ready. In contrast, Travelers' call note of this conversation says they explained the additional premium was the difference between the "in commission" rate and the "laid up" rate and that Mr W had agreed to go ahead and would pay by bank transfer if Travelers provided bank details.

I appreciate these accounts differ and are fundamental to the outcome of this complaint. So, in situations like this, I'm required to make my decision on the balance of probabilities, given the evidence which is available and the wider circumstances of the complaint, as well as deciding how much weight to give to any piece of evidence. Additionally, Under DISP 3.6.1, my remit is to determine a complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case.

Having thought about all the evidence supplied, while I appreciate the weight Mr W has placed on his submissions, I'm not persuaded it demonstrates this was the conversation or agreement that occurred during that call. I've reached this conclusion for several reasons.

First, I can see that Mr W had spoken to Travelers on 31 October 2024 and this was followed up with an email in which Mr W questioned aspects of the quote provided and asked the underwriters to reconsider. He also asked for a breakdown of the refund he would receive if he cancelled the policy.

Travelers then emailed Mr W on 4 November 2024 and asked whether personal property cover was required as well as explaining they would provide payment details shortly. And on 6 November 2024 Travelers emailed an amended endorsement to reflect the boat going back into commissioned use. Bank details were provided within that email in order to make payment.

There is then a call note on 8 November 2024 in which Travelers says Mr W called them to discuss payment options with and without personal property cover and also to explain that he couldn't make payment until 26 November 2024. Travelers' call note says that they could only put cover in place without payment with the underwriters' permission as they didn't offer free cover without payment being made.

There was then another call on 8 November 2024 and Travelers' note says that they explained they couldn't provide cover for the boat being "in commission" without payment being made. The note ends by saying it was agreed that the boat would remain laid up until the amended premium could be paid at the end of November 2024. There is also an email sent on the same day which said:

"As you are aware, (the boat) is insured on a basis that she is laid and up she cannot be in commission use until payment is made. As discussed on the phone, if our product is no longer suitable for you, we can cancel the policy and offer a pro-rata refund".

I find this email to be in keeping with Travelers' obligations to provide information that is clear, fair, and not misleading. And I'm satisfied it is consistent with the phone record from the same day they have provided.

As such, and based on this evidence, I find it more likely than not that Mr W didn't try to make payment on 1 November 2024. I am also not persuaded that, on balance, Travelers gave him an undertaking that cover would run from 31 October 2024, given their later emails that confirmed there would be no ability to provide "in commission" use without payment being made. Much like the Investigator, I am persuaded this is in line with standard industry practice and the more probable scenario to have happened. It follows that my conclusion is cover for "in commission" use only came into effect once Mr W paid the amended premium at the end of November 2024.

Conclusion

For all those reasons, I don't consider that Mr W has provided persuasive evidence on either of the key points of this complaint:

- That he was given an undertaking that he was covered for "in commission" use from 31 October; or
- That he tried to pay for the amended policy cover on 1 November.

I recognise this isn't the outcome Mr W was hoping for, and I am naturally sympathetic to how distressing this situation would have been for him and for the financial impact he will experience as a result. However, my role is to decide whether Travelers have acted fairly and can justify the decision they took. Based on what I've seen, I think it was reasonable.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint or require Travelers Insurance Company Limited to do anything else in relation to it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 June 2025.

Stephen Howard
Ombudsman