

The complaint

M Limited has complained that Greenfield Insurance Services Ltd (GIS) failed to provide accurate details to their insurer when they bought it – which led to their claim being declined and the policy cancelled.

What happened

In 2021, M Limited approached GIS to source insurance for their business premises. They provided a quote they'd had from their previous insurer and told GIS they wanted to get the same cover. And they provided the statement of fact showing the questions the previous insurer had asked, and their replies.

GIS found many of the insurers they worked with wouldn't provide cover. But they were able to source two quotes which they sent to M Limited. M Limited opted for cover with an insurer I'll call A. The policy was renewed, based on the same information, in 2022 and 2023.

A couple of months after the 2023 renewal, M Limited made a claim on the policy after the property had been damaged by occupants who were using it as a cannabis farm. A declined the claim and cancelled the policy because they said they'd not been provided with accurate information at the time of sale.

M Limited complained to GIS that GIS failed to inform A that one of their directors had previously been a director of a company that had gone into liquidation. They said A had told them that, had they known about this at the time, A wouldn't have provided cover. M Limited said GIS knew about the insolvency and had reported it to other potential insurers, but not to A.

In their response, GIS said the statement of fact M Limited had provided didn't disclose the insolvency. But one potential insurer had done their own checks, had found out about the insolvency and reported it to GIS. They said that they raised this with a director of M Limited, who provided some additional information.

GIS accept this wasn't passed onto A. But they said they'd brought the need to give the right information to M Limited's attention multiple times since 2021 and the directors had never corrected the details. And they said it wouldn't have made any difference to M Limited's position because the additional information provided by the director was wrong – so an inaccurate disclosure to A would still have been made.

GIS also said A declined cover not only on this basis, but because M Limited hadn't disclosed a malicious damage claim made in 2019 and because there had been a cannabis farm at the property.

M Limited didn't accept what GIS had said – so they brought their complaint to the Financial Ombudsman Service. Our investigator reviewed all the information provided and concluded GIS didn't need to do anything more to resolve it. He was satisfied that M Limited would have been in the same position as they are now, even if GIS had told A about their director's involvement with a company that went into liquidation.

M Limited didn't agree with our investigator's view. So I've been asked to make a final decision on the complaint.

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 that, I'm not upholding M Limited's complaint. I'll explain why.

I understand M Limited are unhappy the claim they made has been declined. I can't look at that decision because it was made by A. I can only look here at what GIS did. And I can only say GIS should do more to resolve the complaint if I'm satisfied not only that they did something wrong, but that what they did wrong had a negative impact on M Limited.

The sale of all insurance policies involves the customer providing information to the insurer so the insurer can decide whether to provide cover, and on what terms. That information comes from the customer, whether it's provided directly to the insurer or, as is the case here, via an intermediary.

I can see M Limited provided information to GIS by supplying the statement of fact from their previous insurer. That statement includes confirmation that there had been no claims in the previous five years and lists a number of assumptions on which the cover is based – including one that no director had been a director of a company which had gone into liquidation.

I think GIS would have been entitled to rely on the information M Limited provided. But I note they say they checked it in a call with their contact at M Limited, who confirmed the information was right. So I can't reasonably say GIS should have done more at this point.

I accept that, when the insolvency was brought to their attention, GIS didn't pass that information onto A. So I've thought about whether I can reasonably conclude this impacted negatively on M Limited.

Having done that, I'm not satisfied that, had GIS disclosed the liquidation information, M Limited would have been in a different position. I say this for two reasons. Firstly, when GIS found out about and asked the director of M Limited for more information, he didn't provide accurate details about the liquidation. And, secondly, this wasn't the only inaccurate information provided to A. The previous claim wasn't disclosed either. So I'm not persuaded that disclosure of the information provided by M Limited's director to GIS would have led to a different outcome for the claim.

M Limited have also suggested that they'd be in a more favourable position had GIS disclosed the information, because it would have led to A declining cover and they would have taken up the quote from the alternative insurer GIS sourced – who knew about the liquidation from their own enquiries.

I've considered this, but I don't think this scenario would have put M Limited in a better position either. I've been provided with a copy of the alternative insurer's terms. They set out M Limited's obligation to provide complete and accurate information and that the consequences of not doing so - including the possibility of declining any claim and cancelling the policy.

And the policy excludes cover for malicious damage and theft caused by a tenant or someone lawfully on the premises. I understand the claim which was declined was for

damage caused by the tenants removing items connected with their cannabis production. So I think it's likely any claim to the alternative insurer would have been declined.

That means I can't be satisfied that proceeding with the alternative insurer would have led to a different outcome from the one M Limited got. And, so, I don't think GIS need to do anything more to resolve the complaint.

My final decision

For the reasons I've explained, I'm not upholding M Limited's complaint about Greenfield Insurance Services Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 6 June 2025.

Helen Stacey
Ombudsman