

The complaint

Brown & Brown Insurance Brokers (UK) Limited (“B & B”) provided the administration of Mrs B’s home insurance policy. Mrs B is unhappy her policy was cancelled without her permission, which led her to unknowingly being uninsured. Mrs B is also unhappy with how her data was handled and the process B & B followed when raising and dealing with her complaint. Mrs B was represented for this complaint, but for ease and simplicity, I’ll only refer to Mrs B.

What happened

When Mrs B contacted her broker to add a valuable item to her home insurance policy, she was informed by the broker that her policy had been cancelled. Mrs B hadn’t asked for the policy to be cancelled; it had been cancelled without her permission. Mrs B was distraught to learn that neither her house or contents, which included a very high value piece of jewellery of sentimental importance hadn’t been insured for around a year. Due to Mrs B’s personal circumstances, I think it would be fair to conclude Mrs B was vulnerable. Mrs B said she *“was extremely upset and worried”*.

It took some time for B & B to ascertain what had happened, which increased Mrs B’s worries. B & B explained it had made several breaches in its handling of Mrs B’s personal data, which including sharing her data with an unauthorised third party. B & B then took authority from the unauthorised third party to cancel Mrs B’s policy without getting any permission from Mrs B. B & B apologised for its mistakes and offered £100 in compensation. B & B later increased its offer to £300 after the complaint was escalated to our service.

Mrs B doesn’t think the compensation offered is reasonable.

Our investigator decided to uphold the complaint. He thought the impact of the incident had caused Mrs B greater distress, so increased the compensation to £500. Mrs C disagreed, so the case has been referred to an ombudsman.

My provisional decision

I made a provisional decision on this on 11 June 2025. I said:

The crux of Mrs B’s complaint relates to the mismanagement of her personal data and allowing others to make changes to her account without authorisation. These are data breaches that B & B itself must report to the Information Commissioners Office (ICO). Mrs B may also decide if she wishes to make a complaint to ICO in relation to the breach.

It’s not my role to consider the data breach itself, that would need to be considered by ICO. So, I’ve considered if I have jurisdiction to consider this complaint. What I can consider is guided by (DISP) rules set by the Financial Conduct Authority (FCA).

The wording of DISP 2.3.1R is wide enough to cover this. It says that we have jurisdiction to consider a complaint if it *“relates to an act or omission by a firm in carrying on”* one or more of the activities we cover. *“Carrying on”* an activity can involve a wide range of things, not just the activities that are specifically listed.

DISP 2.1.4G explains that “*carrying on*” an activity includes:

1. offering, providing or failing to provide a service in relation to an activity;
2. administering or failing to administer a service in relation to that activity; and
3. the manner in which a respondent has administered its business, provided that the business is an activity subject to the Financial Ombudsman Service’s jurisdiction.

I think holding personal information – and failing to keep it safe – falls under “administering or failing to administer a service” and “the manner in which a respondent has administered its business”. Therefore, I think I can consider this complaint.

B & B has acknowledged that it made these mistakes, and it has accepted our investigator’s recommendation to increase the level of compensation to £500. Mrs B has rejected this recommendation and has said she expects around £1,000 in compensation for the distress and inconvenience suffered. So, I’ve specifically considered what I think is a fair and reasonable level of compensation in these circumstances.

The mistakes left Mrs B unknowingly without insurance. If Mrs B had a claim during this period, then given it was B & B’s mistake then I would’ve expected it to cover any loss experienced. Fortunately, Mrs B didn’t have to claim during this period, therefore, there is no loss for B & B to cover.

However, Mrs B was left shocked when she did realise she was uninsured. She also said she was embarrassed. I would’ve expected at this point B & B to help Mrs B secure appropriate cover, but instead it dithered, and it took Mrs B’s relative to sort out alternative cover and help put Mrs B’s mind at rest. However, I understood it took longer to get full cover for all of Mrs B’s more valuable items. Given the value of one specific item and particularly Mrs B’s vulnerability, I can understand how distressed Mrs B became once she knew she wasn’t insured. I’m glad Mrs B had someone close to her who she could rely on in her time of need, as she wasn’t able to rely on the support of B & B.

Mrs B said she has lost faith in the system. B & B cancelled her policy without any authorisation from Mrs B. I can see how this would feel worrying for Mrs B. Her data has ended up in the hands of a third-party and I imagine Mrs B is worried whose hands her data could end up in. Fortunately, the third parties are known, and the data breach appears to be contained and unlikely to end up with further problems for Mrs B. However, given her vulnerability, I can appreciate how Mrs B maybe less certain when dealing with brokers and insurers in the future. This could have a longer impact on Mrs B, in terms of the anxiety she may feel.

I’ve also noted there were issues with B & B logging the complaint from Mrs B which led to delays in her serious issues being dealt with. The investigation by B & B could have been swifter and the communication clearer to Mrs B.

I’m persuaded by Mrs B’s testimony that B & B’s mistakes had a serious short-term impact on Mrs B which was enhanced due to her vulnerability. B & B caused considerable distress, upset and worry for Mrs B. There was inconvenience sorting out other cover. There was also a longer-term impact specifically for Mrs B with trusting future arrangements with insurers. Therefore, I intend to uphold this complaint, I intend to award a total of £650 compensation (on top of the £100 B & B originally offered).

Responses to my provisional decision

B & B accepted my provisional decision, and it didn't have any new information to add.

Mrs B didn't respond to my provisional 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.

Given neither party has provided any new information, I see no reason to change my provisional decision.

My final decision

My final decision is that I uphold this complaint. I require that BROWN & BROWN INSURANCE BROKERS (UK) LIMITED pay Mrs B:

- £650* compensation – for distress and inconvenience (it should also pay the £100 offered if it hasn't already done so).

*B & B must pay the compensation within 28 days of the date on which we tell it Mrs B accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 28 July 2025.

Pete Averill
Ombudsman