DRN-5748584

The complaint

A limited company, which I will refer to as P, complains about the renewal of its commercial insurance policy, which was arranged by Brightside Insurance Services Limited trading as Brightside.

What happened

The circumstances of this complaint are known to both parties, so the following is intended only as a summary. P operates as a hair salon and had commercial insurance arranged through Brightside. The director of P was also the director of other companies, at least one of which also had a policy arranged through Brightside.

In June 2020, P's policy was coming up for renewal. Brightside sent P documents relating to the renewal. One of these was a notification to policyholders, which set out that the insurer of the policy was introducing an exclusion for claims relating to COVID-19.

The day before these documents were sent to P, P's director had also been sent the documents relating to her other company. Notably, the notification P received was not included, as this change was not being made to the cover provided to this other company. P's director has said that she did not read the documents P was sent, as she had just reviewed those for her other company and believed they would be the same – as previously both companies were provided with the same cover.

P's policy renewed, with the exclusion forming part of the terms. As P's policy then included this exclusion, P has not been able to claim for the impact on it from the COVID-19 pandemic after the renewal date.

A claim was made, and ultimately accepted, relating to the first national lockdown in March 2020 as this was covered by the previous years' policy – which did not include the exclusion. It should be noted that this claim had though been declined at the time the policy renewed in July 2020, as the insurer's position was that the policy did not respond to the circumstances of the claim, regardless of the absence of this exclusion. This position was one largely taken by the majority of the insurance industry, and only changed following later developments in case law.

P's director's other company has been able to claim for the impact of the later national lockdowns. And P is unhappy that it was sold a policy by Brightside that included this exclusion, particularly when the director's other company was not.

P brought its complaint to the Financial Ombudsman Service. However, our Investigator did not recommend that it should be upheld. He explained that it was not Brightside's decision to introduce the exclusion. And that Brightside's responsibility in a non-advised sale such as this was merely to provide P with the relevant information about the policy. Our Investigator felt that Brightside had provided the information in a way that was clear, fair and not misleading, so it had met its obligations.

P remained unsatisfied. It said that the policies of the two businesses had renewed within a day of each other, and the fact P's policy was different means Brightside was negligent. As our Investigator was unable to resolve the complaint, it 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've explained why below.

Firstly, I will just reiterate that the above is intended only as a summary. Both parties have provided detailed submissions and made a number of points. However, I have not referred to each of these within this decision. Instead, I have focused 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.

Secondly, like our Investigator, I would like to express my sympathies for the position P and its director found itself in. The impact of the pandemic on P's business would have been significant, and I can appreciate that not being able to claim for this is frustrating for the director – particularly when she has been able to make a claim for her other business.

However, I need to consider what the obligations were on Brightside in terms of the sale/renewal. And to make my decision based on whether it met these or not.

I note that both of P's director's businesses were covered by the same insurer and, essentially, the same policy terms (other than the relevant exclusion). And I note that the renewals were only a day apart. However, policies do get updated by insurers. And this will inevitably happen at a particular point in time. If a policy happens to update a day before or after a renewal date, that might be seen as unlucky. But inherently there is nothing wrong with such a change being made. And the misfortune of the policyholder is just that.

Regardless of this though, Brightside was not responsible for the change made by the insurer. It has no control over the terms offered by the insurer.

Additionally, Brightside was providing P with a non-advised sale service. So, it was not Brightside's responsibility to consider P's circumstances and recommend a suitable policy. Brightside's obligations only really extended to providing P with clear information about the policy. It was then for P to consider whether the cover being offered was suitable or not.

Brightside did provide P with the relevant information about the policy. This included the separate notification about the addition of the exclusion.

I appreciate why P did not read this information. Its director had received very similar documents the day before. So, she made the assumption that the documents P received would be the same. However, given the notification was a separate document, it would have been possible for her to notice that something additional had been included.

And, ultimately, whilst P's director is linked to another business, I need to think about whether Brightside met its obligations to P. Brightside provided P with clear information about the policy and about the change that was being made to it. It was then for P to consider this information, and if it was concerned to raise this with Brightside and/or the insurer.

I appreciate this is not the outcome P or its director were hoping for. But I consider

Brightside provided P with information about the renewing policy – including information about the change to the terms – that was clear, fair and not misleading. It follows that I consider Brightside met its obligations in terms of the sale/renewal, and so I cannot fairly and reasonably direct Brightside to do anything 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 P to accept or reject my decision before 3 October 2025.

Sam Thomas
Ombudsman