DRN-5748658

The complaint

Miss B is unhappy with the customer service she has received from Arthur J. Gallagher Brokers Limited (AJG) and with its brokering of the multi-occupancy buildings insurance policy of which she is a beneficiary.

What happened

Miss B is a leaseholder within a block of flats covered by a multi-occupancy buildings insurance policy in the name of the freeholder. Miss B suffered an escape of water in her flat and tried to make a claim on the freeholder's insurance policy. Miss B ended up in a dispute with the freeholder and the managing agent as she felt they were obstructing her ability to make a claim.

Miss B contacted AJG who is the broker of the policy. In an email to AJG, Miss B explained the problems she was having with the claim and with the freeholder's behaviour. She also asked for a copy of the insurance policy terms.

AJG forwarded Miss B's email in full to the freeholder. Miss B has complained that AJG forwarded sensitive information without her consent and that this exacerbated her dispute with the freeholder. Miss B has also complained that the £10,000 excess fee for escape of water claims isn't suitable for her and the other leaseholders. She says AJG hasn't acted in their interest when selling this policy to the freeholder.

AJG disputed that the Financial Ombudsman Service had the power to look at Miss B's complaint. One of my ombudsman colleagues issued a decision setting out which of the issues we have the power to consider and which we do not. I agree with the conclusions my ombudsman colleague reached I in relation to the question of our jurisdiction to consider the complaint. So, this decision will focus solely on the parts of Miss B's complaint which this service has the power to consider.

These issues are:

- The suitability of the policy excess
- Sharing Miss B's email with the freeholder
- Not providing Miss B with the policy terms when requested

An investigator considered these issues and explained that while the suitability of the policy excess is in our jurisdiction, she felt we should dismiss that part of the complaint – in line with our powers under the DISP rules. This was because she said considering that part of the complaint would seriously impair our effective operation.

The investigator agreed that AJG had acted unfairly by forwarding Miss B's email to the freeholder, but felt the apology and compensation AJG had offered for that issue was fair. However, she recommended AJG should pay a further £100 compensation to recognise the avoidable distress Miss B suffered as a result of its failure to provide information about the policy cover when requested.

Neither party accepted the investigator's assessment. So, as no agreement has been reached, the complaint has 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, while I appreciate it will likely come as a disappointment to both sides, I've reached the same conclusions as the investigator. I'll explain why addressing each issue in turn.

The policy excess

My ombudsman colleague has already decided this complaint issue is one the Financial Ombudsman Service has the power to consider. I'll not be revisiting this. But having established the complaint is one we *can consider*, I must now decide whether it is one we *should consider*.

The Financial Conduct Authority (FCA) sets out a number of grounds on which the Financial Ombudsman Service may dismiss a complaint without considering its merits. The rules are set out in the "DISP" section of the FCA's handbook of rules and guidance.

DISP 3.3.4AR says that I may dismiss a complaint referred to this service, without looking into its merits where:

> *"(5) dealing with such a type of complaint would otherwise seriously impair the effective operation of the Financial Ombudsman Service."*

DISP 3.3.4B gives the following example of what would seriously impair our organisation:

> *"(4) it is a complaint which:*
>
> *(a) involves (or might involve) more than one eligible complainant; and*
>
> *(b) has been referred without the consent of the other eligible complainant or complainants,*
>
> *and the Ombudsman considers that it would be inappropriate to deal with the complaint without that consent."*

A complaint about the excess fee on a multi-occupancy buildings insurance policy involves, or might involve, more than one eligible complainant. I say this because any potential decision or award I might make would not only impact Miss B, rather it would impact Miss B, the other leaseholders of her building and the policyholder (the freeholder of the building).

As such, it is my decision to dismiss this element of Miss B's complaint. I say this because if I were to consider that AJG had not acted fairly, the remedy may impact other leaseholders and/or the policyholder negatively. And as these parties are potentially eligible complainants in their own right, I would effectively be making my decision without due consideration of their individual circumstances and any potential impact of my decision on them.

Were I to seek to join all the other interested parties (the leaseholders and freeholder) to this complaint, it would likely take up a significant amount of time and administrative resource. There might also be other issues preventing some of the other parties from being able to join, such as separate eligibility requirements. Additionally, even if all the parties could be considered as eligible complainants, and wanted to join the complaint, all parties would need to agree on the substance of the complaint. This is particularly unlikely where there are competing interests and/or existing disputes between some parties, as there are in this case.

What the above means is that if I were to proceed to consider and answer this part of Miss B's complaint, I would be using the Financial Ombudsman Service's resources to try to resolve a complaint that would have little to no reasonable prospect of being resolved to the satisfaction of all eligible complainants – who would all need to accept the decision in order for it to be binding on AJG.

Taking all of that into account, I find it is appropriate to dismiss this element of Miss B's complaint under DISP 3.3.4A, because dealing with this issue would seriously impair the effective operation of the Financial Ombudsman Service.

Sharing Miss B's email with the freeholder

It's not in dispute that AJG should not have forwarded Miss B's email to the freeholder as she had been clear she was in an ongoing dispute with the freeholder. AJG has accepted this wasn't appropriate and that it has caused Miss B avoidable distress and inconvenience. It has offered Miss B £150 compensation to put things right.

AJG's error here clearly exacerbated what was already a challenging relationship Miss B had with the freeholder and would no doubt have been upsetting and frustrating.

I've factored the impact of AJG's error here into the overall level of compensation I'll be awarding.

Refusal to provide policy terms

Miss B asked AJG to share her policy terms with her. AJG directed her back to the freeholder; despite knowing she was in an ongoing dispute with them.

AJG says the freeholder is responsible for providing that information, and I don't dispute that. The Insurance Code of Business Sourcebook (ICOBS) rules explain the following:

"ICOBS 6A.7.3

(1) As soon as reasonably practicable after the conclusion of a multi-occupancy building insurance contract, and upon any subsequent renewal, a firm must:

(a) give the customer the information specified in (2); and
(b) tell the customer to pass a copy of this information on promptly and in full to any leaseholder of the building in relation to which the multi-occupancy building insurance contract provides cover.

(2) The information in (1) must include:

(a) a summary of the cover (in accordance with ICOBS 6A.7.5R);
(b) pricing information (in accordance with ICOBS 6A.7.6R);
(c) remuneration information (in accordance with ICOBS 6A.7.8R);

(d) (for an insurance intermediary) placing and shopping around information (in accordance with ICOBS 6A.7.11R); and
(e) (for an insurance intermediary) conflicts of interest information (in accordance with ICOBS 6A.7.14R).

(3) Where the firm is in contact with, or has contact details for, a leaseholder:

(a) it may meet the requirements in (1) by instead providing the information directly to the leaseholder; and
(b) where it has been made aware that the leaseholder has not received any information in (2) from the customer, it must provide the leaseholder with that information."

What the above means is that AJG needed to provide the relevant information to the freeholder who in turn should provide it to the leaseholders. However, the very final point above is clear that if AJG becomes aware that a leaseholder hasn't been provided with information, it should provide it directly.

Miss B wanted AJG to provide her policy terms and conditions. And while these are technically separate to the 'Summary of the cover" disclosure information required under the rules, the latter would have fulfilled Miss B's needs. AJG ought to have been able to provide her with that information, given it would have needed to provide it to the freeholder when the policy was incepted or renewed. So, in the circumstances, I don't think AJG acted fairly when referring Miss B back to the freeholder in the first instance, effectively refusing to explore other ways it could have helped provide the information she wanted to see. Particularly as it was aware of the dispute between them.

I think AJG's failure to provide information it was required to, when requested, caused Miss B some further avoidable distress and inconvenience. So, in addition to the £150 compensation it has already offered for the email issue, I think AJG should pay a further £100, taking the total compensation award to £250.

I think £250 compensation, overall, is sufficient to reflect the avoidable distress and inconvenience Miss B has suffered as a result of the things AJG did wrong.

I understand Miss B now has the information about the policy cover she needs, so AJG doesn't need to provide her with any disclosure information in response to my decision. But it should put things right by paying the compensation I've recommended above.

My final decision

For the reasons set out above my decision is to dismiss the complaint issue about the policy excess without considering its merits.

I uphold Miss B's complaint about the other two issues, and direct Arthur J. Gallagher Brokers Limited to pay Miss B a total of £250 compensation for the avoidable distress and inconvenience it has caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 17 September 2025.

Adam Golding
Ombudsman