

The complaint

Ms A thinks her home insurance policy was mis-sold by her broker Arthur J. Gallagher Insurance Brokers Limited (“AG Insurance”) as her policy didn’t provide her with sufficient cover for alternative accommodation (AA).

What happened

When Ms A made a claim, she became aware of a £15,000 limit of liability on her policy for AA, which she said wasn’t sufficient for her needs and was inappropriate given the likely cost of temporary accommodation if it was on a similar standard to her own home. She said the policy had been mis-sold by her broker.

AG Insurance said the policy had been sold on a “non-advised” basis in 2019. AG Insurance said *“having reviewed all of the information available to me, I cannot agree you have not been notified of the alternative accommodation cover as this information is in your policy documents sent to you each year. It is the customers responsibility to read these documents to ensure you are happy with then terms provided. Therefore, I have therefore been unable to uphold your complaint”*.

Ms A said the limit to her policy cover has delayed the commencement of repairs to her home. She said the mis-sold policy has affected her physical and financial situation.

Our investigator decided not to uphold the complaint. She thought the policy documentation shared with Ms A clearly set out the policy limits, so she didn’t think AI Insurance had done anything wrong. Ms A disagreed, so the case has been referred to an ombudsman.

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 don’t uphold this complaint. I know this will be disappointing for Ms A, so I’ll briefly outline my reasoning for this decision.

Policies can be sold on an advised or non-advised basis, but most sales are non-advised, as this one was. The obligations on the seller are different for each one so it’s important we’re clear which is relevant.

A non-advised sale means AI Insurance isn’t advising or recommending that Ms A buys the policy. It is simply providing information to Ms A and leaving her to decide if the policy is suitable to meet her needs.

The duty on AI Insurance is to make sure Ms A is given enough information that is clear, fair and not misleading so that they can make an informed choice about whether the policy is right for them.

The policy was sold in 2019, but due to the length of time that has passed there is no longer a recording of the call where the sale took place. AI Insurance has said that it doesn’t usually discuss the level of AA cover required when selling policies.

As the call isn't available, it isn't possible to check whether Ms A was misled on this call at all. I wouldn't expect a broker to keep a recording of a sales call that is over six years old.

AI has provided details of the policy wording in the sold policy. The wording states "*What is not covered: Any amount [of AA] exceeding £15,000 in total. If you claim for such loss under section 1 — Buildings and Section 2 contents, your insurer will not pay more than £30,000 in total*".

I think the policy is clear that there is a limit that applies to AA. The policy was provided to Ms A each year she purchased one. It's the policyholder's responsibility to check the details of the policy to ensure it meets their needs. There is opportunity to cancel the policy if it doesn't.

Ms A said the policy limit reduced since the first time she took out cover. This is true. However, it's important to note that Ms A hasn't been on cover continuously during the period and there has been gaps in her cover. Each sale is a new contract, so Ms A would need to check the policy details each time a policy is sold. Even so, I have also seen evidence that when the policy limit was reduced on AA, AI Insurance shared a notification with its policyholders to explain the change. So, I think AI Insurance has done what I would've expected it to do.

I appreciate Ms A has made some other points, however, the key point here is that AI Insurance did what I would expect it to do for a non-advised sale. I haven't seen any evidence that shows Ms A was misled during the process and I can see the policy documentation clearly sets out what the policy limits are. Therefore, I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint. I don't require Arthur J. Gallagher Insurance Brokers Limited to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 4 March 2026.

Pete Averill
Ombudsman