

The complaint

Mrs and Mr S complain Rockland Risk Services Limited (RRS) mis-sold their commercial property insurance.

Mrs and Mr S are both complainants. For ease of reading and as he's been the main correspondent, I've generally only referred to Mr S.

What happened

Mr S is a landlord of several properties. RRS arranged insurance for the properties, acting on his behalf when doing so. In September 2021 it arranged a policy with Insurer A (the September 2021 policy). In June 2022 Mr S made a claim against that policy, for damage to one of the properties.

In September 2022 RRS arranged cover, for the properties, with a different insurer - Insurer B (the September 2022 policy). In August 2023, following a fire at one of the properties, Mr S claimed against that policy.

However, Insurer B avoided the policy (treating it as though it had never existed), declining the August 2023 claim. It said there had been a failure to declare, when the policy was arranged, that Mr S had been under investigation, by Insurer A, for making fraudulent submissions for the June 2022 claim. Insurer B felt that information should have been disclosed. It said if it had been it wouldn't have agreed to the September 2022 policy. In January 2025 this Service considered a complaint about Insurer B's avoidance of the policy. It wasn't upheld.

In January 2025 Mr S raised a complaint with RRS. He said it had been its responsibility, when arranging his cover, to inform Insurer B of any relevant information. He said RRS had failed to tell Insurer B of his previous year's claims history and that Insurer A had declined the June 2022 claim. He felt this was why Insurer B had declined the August 2023 claim. He said as RRS had failed to provide Insurer B with that information it was responsible for the August 2023 claim not being paid. To resolve his complaint, he asked RRS to reimburse his loss resulting from the August 2023 claim being declined.

RRS responded in February 2025. It didn't accept it was responsible for the claim being declined and didn't agree to reimburse any loss. It denied failing to disclose Mr S's claims history to Insurer B. It said, in any event that hadn't been Insurer B's reason for declining the claim - instead the decline arose from it not being told Insurer A considered Mr S to have made fraudulent submissions for the June 2022 claim. RRS added that it had provided Insurer B with the material facts, in a Statement of Fact document, as they believed them to be – with Mr S having accepted those as being true at the time of renewal. Mr S, unsatisfied with RRS's response asked this Service to consider the complaint. He would like RRS to cover the losses resulting from the August 2023 fire.

Our Investigator, initially, didn't uphold the complaint. After receiving further submissions, she found RRS responsible for Mr S's August 2023 claim not being met. She considered it

had been aware of Insurer A's investigation before the policy with Insurer B had inception. She found RRS had failed to fulfil a duty to inform Insurer B of that information.

The Investigator was satisfied that, had RRS informed Insurer B, ultimately Mr S's August 2023 claim would have been met. She felt that had Insurer B in response to hearing of the fraud investigation, not offered Mr S cover, then RRS would have found an alternative insurer willing to offer cover. She considered that as a result, with cover in place and not subject to concerns about misrepresentation, that new insurer would have paid the August 2023 claim.

So, the Investigator concluded RRS had caused Mr S a financial loss. To put things right she recommended it essentially act as an insurer, by covering his losses related to the August 2023 fire.

Mr S accepted that proposed outcome, but RRS didn't. It said it was factually incorrect to say it had known of the fraud investigation before the inception of the September 2022 policy. As the complaint wasn't resolved it was passed to me to decide.

I issued a provisional decision. I set out why I didn't intend to require RRS to cover any loss or make any payment to Mr S. The provisional decision's reasoning forms part of this final decision so is copied in below. I also said I would consider any further comments or evidence either party provided. RRS accepted the provisional decision, providing no further comments or evidence. Mr S didn't accept my intended outcome, providing further explanation and comments.

what I've provisionally 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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr S and RRS have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Having done so, I don't intend to require RRS to make any payment to Mr S. I accept this will be frustrating for him. But ultimately there are too many hurdles, that haven't been overcome, for me to fairly require RRS to cover the August 2023 loss.

This service's approach is to require a firm, where its act or omission has caused a complainant a financial loss, to take steps to put things right. For me to require that in this case, I would need to be persuaded RRS, by an act or omission, was responsible for a financial loss for Mr S. The financial loss, he considers it to be responsible for, is the cost of repairs following the August 2023 fire, and associated losses, not being covered by an insurer.

So, to require RRS to cover those losses I'd need to be first persuaded of each of the following possibilities.

- 1) When arranging the cover with Insurer B, RRS was aware Mr S was under investigation by Insurer A for making fraudulent submissions in support of his June 2022 claim.*
- 2) RRS was required to declare this information to Insurer B – but failed to do so.*

- 3) *That failure resulted in the September 2022 policy being agreed, when it wouldn't have had an accurate declaration been made.*
- 4)
- a. *That Insurer B, being informed of Insurer A's investigation, would still have offered the September 2022 policy – and with the cover in place would have gone on to settle the August 2023 claim or*
 - b. *alternatively, if Insurer B didn't offer the September 2022 policy, Mr S would have found an 'alternative insurer' willing to offer him cover despite him being investigated by Insurer A for providing fraudulent claim submissions - and that alternative insurer would likely have gone on to settle the August 2023 claim.*

Further, I also need to ask if it would be fair to require RRS to make a significant financial payment to Mr S considering he, through his own action of submitting made up quotes to Insurer A, contributed to the unfortunate situation he now finds himself in.

First, I'm not persuaded of each of the four possibilities is likely. Second, I'm not persuaded it would be fair, considering Mr S's contribution to the situation, to require RRS to cover any loss.

For 1), the Investigator felt RRS had been aware Mr S was under investigation. She decided, for 2), that it should have declared that information to Insurer B before the September 2022 policy's inception. She considered that 4b) was likely - that an alternative insurer, if required, would likely have offered Mr S cover. She felt that alternative insurer would likely have settled the August 2023 claim. So, concluding RRS was responsible for cover not being in place and the loss not being covered by a successful claim, she recommended it effectively act as the insurer for the fire damage.

However, I haven't reached an outcome for 1), 2) or 3). Doing so wouldn't make a difference to the outcome I intend to reach. That's because even if I found in favour of Mr S for each of those possibilities, I still wouldn't require RRS to cover the August 2023 loss. Ultimately, I'm not currently persuaded that either of 4a) or 4b) are likely outcomes.

I'll address 4a) first. Insurer B has already said, in a November letter to Mr S, it wouldn't have offered him cover had it been informed Insurer A was investigating him for providing fraudulent submissions for the June 2022 claim. Without any persuasive evidence to challenge that statement, I consider it probably wouldn't have offered Mr S cover had it been informed of the investigation.

So that leaves only 4b) as a route to a successful claim for Mr S's August 2023 loss - an alternative insurer. I'm not persuaded, based on current evidence, that an alternative insurer would have been found.

First, for me to find RRS responsible for causing Mr S a loss, I'd need to be persuaded of 1) and 2). Essentially that means finding it failed to, when acting on Mr S's behalf, make a 'fair presentation' of the risk – as required under the relevant legislation (the Insurance Act 2015 (the Act)). The Act requires policyholders (or in this case RRS on behalf of Mr S) to disclose to an insurer:

- *Everything they know, or ought to know, that would influence the judgement of an insurer in deciding whether to insure the risk and on what terms; or*
- *enough information to put insurer on notice that it needs to make further enquiries about potentially material circumstances.*

If RRS was aware, or ought to have been aware, of the investigation and so should have declared it Insurer B, it follows that it would be required to declare the same information to other prospective insurers. The same would apply to Mr S or any other insurance broker he may have opted to use.

So, I would need to be persuaded that an alternative insurer, despite being aware Mr S was currently under investigation for submitting fraudulent submissions to support his claim with Insurer A, would have been willing to offer him cover. I haven't been provided with any evidence on this, other than Insurer B's position - it wouldn't have offered cover in those circumstances. But a reasonable starting point is surely that insurers would likely be concerned about Mr S as a potential policyholder, considering the nature of the investigation. Without persuasive evidence that he would have been offered cover, I consider the most likely scenario would have been an absence of willing insurers.

The Investigator did feel that an alternative insurer would have been found. She based that position on a further insurer (Insurer C) continuing with Mr S's September 2023 policy after being informed, mid-term, that one of his earlier policies had been avoided.

However, I'm not considering how an insurer would respond, more than 12 months after the September 2022 policy inception, to the avoidance of a historic policy. Instead, the consideration is how prospective insurers would have responded to a current and ongoing investigation for fraudulent actions on an open claim. So, Insurer C's continuation of cover isn't enough to persuade me an alternative insurer would have been found in September 2022.

I will, however, consider any comments or evidence Mr S and RRS provide to challenge my intended finding on this point. However, currently I'm not persuaded an alternative insurer would have been found.

Further, in the unlikely event an alternative insurer would have been found, I'd still need to be persuaded it would have likely settled the August 2023 claim. Currently I know very little about the claim – including the wider circumstances and the extent of the loss. Insurers often rely on exclusions and terms to deny or limit liability. Without further detail of the loss, it's difficult for me to find an insurer would likely have paid out. So, if I were to uphold the complaint the redress would be limited to requiring RRS to consider a claim against theoretical policy terms, rather than going as far as requiring it to pay the claim.

So, I'm not currently persuaded, that even if RRS did fail to make a fair presentation of the risk to Insurer B, that it most likely resulted in a financial loss for Mr S. It seems likely he still wouldn't have had any cover in place.

Finally, I can't overlook Mr S's own contribution to the financial loss he asks to be settled through this complaint. He's admitted to providing Insurer A with made up quotes, presenting them as being from genuine tradesmen. That action is the root cause of the financial loss. Without it it's possible there wouldn't be one to be considered here. So even if I did find RRS to be at fault in some way, I'd still need to consider Mr S's own significant contribution to the loss. That's a further reason why I don't feel it would be fair and reasonable to require RRS to effectively act as an insurer by covering his August 2023 loss and claim.

So, for the reasons set out above, I don't currently consider it would be fair to require RRS to cover any loss or make any payment to Mr S. I will however consider any further comments or evidence either party provides before issuing my final 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.

Mr S made several points in response to my provisional decision. Before I address any of those, I would like to clarify something for him. He has on several occasions, including in his latest submission, referred to Insurer B not being informed of his 'claim history'. This is a simplification that doesn't accurately reflect events.

If Mr S wishes to appreciate the course of events, then he must understand the following. His situation hasn't come about because Insurer B wasn't informed that he had made 'a claim' to Insurer A in June 2022. Instead, Insurer B's concern was that it hadn't been informed of something more specific and significant - that he was under investigation for providing falsified documents in support of that claim.

Mr S, said in his recent submission, it was RRS's responsibility to inform Insurer B of his September 2022 claim. As I've said the issue is in fact - if RRS should have informed Insurer B of the ongoing (at the time) investigation for providing falsified documents in support of that claim.

As I explained in my provisional decision, I haven't determined if RRS should have disclosed that fraud investigation information. I explained that such a determination wouldn't change the outcome of the complaint. That was because I concluded that even if the fraud investigation had been declared to Insurer B, Mr S's August 2023 loss still wouldn't have been covered. A successful claim would require, as a first step, an insurer willing to have offered cover in the knowledge of the ongoing fraud investigation. Without persuasive evidence of that happening, I considered the most likely scenario would have been an absence of willing insurers.

In response to that point, Mr S said in September 2024 RRS arranged a renewal for him. Subsequently a different broker found him cover, with declaration of his past claims proving no obstacle.

However, I'm not considering how insurers would respond to Mr S's 'claim history' in September 2024 or later – i.e. how it would respond to knowledge of him having historic accepted or declined claims. Instead, the consideration is how prospective insurers would have responded, in September 2022, to a current and ongoing investigation for fraudulent actions on an open claim. That's something I consider to likely be of much greater significance to insurers than a standard record of claims.

Further, Mr S hasn't shown what detail was declared to those more recent insurers - for example it hasn't been explained if they were made aware of the fraud concerns of Insurer B or were instead just told of a declined claim.

So, I still haven't been provided with persuasive evidence that Mr S would have found an insurer willing to offer cover at the relevant time. That means even if RRS did fail to make a fair presentation of the risk to Insurer B, it didn't ultimately result in a financial loss for him. It seems likely he still wouldn't have had any insurance in place, and so his August 2023 loss wouldn't have been covered. So, I'm not going to require RRS to cover any loss or make any payment to Mr S.

My final decision

For the reasons given above, I don't uphold Mrs and Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 27 January 2026.

Daniel Martin
Ombudsman