

## **The complaint**

Mr M and Ms M complain that they were mis-sold landlord insurance policies by U K Insurance Limited trading as Direct Line (“UKI”).

Mr M has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, as those of “Mr M” throughout this decision.

## **What happened**

Mr M held landlord insurance with UKI for two rental properties. He first purchased a policy in September 2022 and later bought a second policy for the same properties in June 2024. Mr M says that before taking out the 2022 policy, he spoke with UKI over the phone and explained that the properties were let under a company name, and that his work meant he needed a straightforward arrangement. He says that during the call, UKI advised him to proceed with an online application in his own name, and that he relied on that advice when completing both policies.

In July 2024, UKI declined two claims that Mr M made under the policies. Those claim decisions aren't part of this complaint and are being considered under a separate reference by this Service, however the background facts overlap at times. Mr M said that the claims being declined made him question whether the policies had been sold to him correctly. He says he later learned from UKI that their system would not allow a company name to be added as the policyholder or as a representative. Mr M says this is significant because his tenancy agreements were issued in the name of his limited company, and he says this mismatch shows the policies were unsuitable for him and therefore mis-sold – Mr M raised a complaint.

UKI considered the complaint but did not uphold it. They said both policies were purchased online without any advice being given, and that their records didn't show any calls taking place in 2022 before Mr M purchased the first policy. UKI explained that their landlord insurance products were set up for individual policyholders, and that while they could add an individual's name from a company, they couldn't list the company itself as the insured entity. UKI said they provided the policy documents and information that Mr M needed to decide whether the cover was appropriate to him at the point of sale, and that they didn't have any reason to suspect the policies were unsuitable for his needs. Mr M remained unhappy with UKI's response to his complaint – so, he brought it to this Service.

An Investigator looked at what had happened but didn't think the complaint should be upheld. He explained that, because there was no evidence of a call taking place in 2022 prior to Mr M taking out the policy, he concluded that both policies were sold on a non-advised basis. The Investigator said this meant UKI had to provide clear information so that Mr M could make an informed decision himself about whether the policies were suitable for his specific needs. The Investigator concluded that he was satisfied UKI had met that requirement by providing policy documents at the time of sale, and by setting out the policy terms clearly.

UKI said they agreed with the Investigator's conclusions, but Mr M disagreed. He said that the Investigator had placed too much emphasis on there being no record of the 2022 call recording he said he'd made, and not enough on the later written correspondence sent by UKI during the complaints process. Mr M said that he felt the emails showed that as UKI's systems couldn't name a limited company, he said this demonstrated the policies were fundamentally unfit for his needs. Smith also said he had followed UK's instructions and relied on what he had been told when arranging cover.

Mr M asked for an ombudsman to consider the complaint – so, it's 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, I've reached the same overall outcome as the Investigator, and I do not uphold this complaint. I appreciate this will be disappointing to Mr M – so, I've set out my reasoning below.

I want to start by acknowledging that I've only provided a summary of what happened here as the background of this complaint is well known to Mr M and UKI. I appreciate Mr M has made detailed submissions; but I'm not going to address each of these individually. This is not intended as a discourtesy; but instead reflects the informal nature of this Service, however I assure both parties I have read and considered everything submitted carefully.

I appreciate Mr M has also made numerous detailed submissions over the claims themselves being declined, but as I explained previously, these matters are the subject of another complaint this Service is currently considering. I've therefore focused on the key issues of this specific complaint, which is whether the policies were mis-sold to Mr M when he purchased them.

UKI's records record that both policies were purchased online. I appreciate Mr M says he received advice during a telephone call in 2022 in which he explained the properties were let under a limited company and he says that UKI instructed him to proceed with an online application in his own name. I understand why Mr M thinks that's important, as he says he relied on the information. But UKI has said they cannot locate any call recordings from 2022 relating to the sale of the policy. And having considered everything, I've not seen any persuasive evidence that shows a call took place before Mr M completed the purchase of the policy in September 2022. That means I'm satisfied the policies were sold on a non-advised basis.

As a non-advised sale, this means UKI wasn't required to assess whether the policy was suitable for Mr M's circumstances. Instead, their duty was to ensure the information provided was clear, fair and not misleading, and that the demands and needs statement reflected Mr M's disclosures. I've considered the relevant evidence very carefully, and I'm satisfied that UKI gave Mr M sufficient information that he needed to understand the nature of the cover he purchased and to decide whether it was appropriate for his particular circumstances. It follows that I'm satisfied that UKI met their requirements that applied to a non-advised sale.

I appreciate Mr M has outlined in detail why he feels that the call he says he made in 2022 is not relevant to a finding of whether the policy was mis-sold in any event, because he says UKI's later emails demonstrate the policy was not fit for his specific needs. But I do not agree. The starting point with any mis-sale complaint is to consider how the policy was taken

out and what an insurer's requirements were when selling the policy. M has placed significant weight on emails UKI sent him during the later complaint handling process, in which UK explained their system could show an individual's name as the insured entity but not a limited company. I understand that Mr M believes this demonstrates the policies were not fit for purpose, but I do not agree with that conclusion, and I also do not find that those later communications demonstrate the policies were mis-sold. A mis-sale assessment focuses on what happened at the time of sale, the information available, and what UKI did or did not do at that point.

The emails explaining that UKI's policy can't list a limited company as the policyholder also do not demonstrate the policies were fundamentally unfit for his needs. This is because the policy documents I've considered that were issued at the time of the sale which clearly set out who the insured person was, the basis on which cover was provided, and the terms that applied. I'm satisfied UK I was entitled to offer a product designed for individual policyholders, and the question for this complaint is whether they acted fairly in making that clear so Mr M could decide whether the cover met his needs. I've not seen any persuasive evidence that demonstrates UKI were aware, or ought to have been aware, about the way the tenancy agreements were structured at the time that the policies were taken out.

## **Conclusion**

I acknowledge the difficult position Mr M has found himself in and the amount of time and effort he has spent trying to resolve matters. I don't doubt the events of this claim had been distressing for him, and I recognise why he feels so strongly that something must have gone wrong. But having considered everything very carefully and looking at what happened at the time the policies were sold; the evidence does not persuade me that UKI acted unfairly or mis-sold the cover to him. I'm satisfied the policies were arranged on a non-advised basis and that UKI gave Mr M the information he needed to decide whether they were suitable for his needs. So, while I appreciate this won't be the outcome Mr M was hoping for, I trust my decision explains why I have reached the decision that I have.

## **My final decision**

For reasons I have outlined above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M and Mr M to accept or reject my decision before 5 January 2026.

Stephen Howard

**Ombudsman**