

The complaint

The estate of Mrs D (“the estate”) complained that Gallagher Insurance Brokers Limited (“Gallagher Limited”) mis-sold a home buildings insurance policy.

What happened

The executor’s of the estate said that Gallagher Limited told them to put an insurance policy for the late Mrs D’s home, in the name of the executors of the estate.

When making a claim under this policy the estate complained about poor service. This was upheld in part under a separate complaint against the policy insurer. The executors requested compensation for the distress and inconvenience this caused them. But they were told compensation isn’t awarded to executors as the policy is for the benefit of the estate. The estate referred the matter to our service. But we didn’t uphold it for the same reason.

The estate complained to Gallagher Limited that it should have placed the policy in the names of the executors. As not doing so prevented them receiving compensation. Gallagher Limited responded to say the correct advice was given. This is because the policyholder must have a financial interest in the property. It didn’t accept it had done anything wrong.

The executors for the estate disagreed with this outcome and referred the matter to our service. Our investigator didn’t uphold the complaint. He said the executors didn’t own the property. He thought the policy had been set up correctly with the policyholder as the executors for the estate. Our investigator didn’t think the policy could have been set up any differently without creating problems in the event of a claim. This meant that compensation for distress and inconvenience wasn’t a possibility in these circumstances.

The executors of the estate didn’t think they had been treated fairly by Gallagher Limited and asked for an ombudsman to consider the matter.

It 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 I’m not upholding this complaint. Let me explain.

As discussed the complaint against the insurer for the estate’s policy was dealt with under a separate reference. I won’t reconsider those issues here. My focus is on whether Gallagher Limited acted reasonably when recording the executors of the estate as the policyholder.

I’ve thought carefully about the executor’s view that the policy could have been put in their names. This would mean compensation for the distress and inconvenience the insurer caused could be paid to them directly. But I don’t agree that the policyholder could have been recorded differently.

The policyholder must have an insurable interest in the property being insured. Generally speaking the policyholder will be the owner. In this case the owner of the property was the estate. I understand the executors were also beneficiaries of the estate. But the property was owned by the estate so it was correct that the policyholder was named as it was.

The estate is a legal entity. I understand the point raised by the executors that they have suffered distress and inconvenience that warrants compensation. But the policy was for the benefit of the estate. It cannot suffer distress and inconvenience in the way a person can. So there is no scope for compensation to be provided.

I don't accept that Gallagher Limited should or could have recorded the executors (as individuals) as the policyholders. It follows that I don't think it did anything wrong. This means that I can't reasonably ask it to do anymore.

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 Ms C and Ms D and the estate of Mrs D to accept or reject my decision before 15 May 2026.

Mike Waldron
Ombudsman