

The complaint

Mrs S and Mr S complain about One Call Insurance Services Limited (“OCI”) and the service provided to them during their policy renewal which they feel left them underinsured.

Mrs S 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, by either Mrs S or Mr S as “Mrs S” throughout the decision where appropriate.

What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, OCI acted as Mrs S’ broker when her home insurance policy, underwritten by a separate insurer who I’ll refer to as “A”, was due for renewal in July 2023.

Mrs S discussed the renewal with OCI, which included a conversation around the sum insured value included within the policy. And she ultimately agreed to continue with the renewal. But when Mrs S raised a claim with A following flood damage to her home, she was made aware her sum insured was inadequate and they settled her claim on a proportional basis. Mrs S was unhappy about this and the financial impact this caused her. So, as OCI arranged the policy on her behalf, she contacted them to raise a complaint about the service they provided when doing so.

OCI responded to the complaint and didn’t uphold it. They explained they were a non-advisory service and why they felt their advisor have made clear the importance of ensuring the sum insured value Mrs S provided was correct. So, they didn’t agree they were responsible for Mrs S being underinsured and didn’t offer to do anything more. Mrs S remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and upheld it. Both parties have had sight of this outcome, so I won’t be recounting it in detail. But to summarise, they set out why they felt OCI had failed to guide and support Mrs S regarding the sum insured value as our service would expect. So, they recommended OCI cover the difference between the full claim settlement amount and the proportional settlement A made alongside a £150 compensatory payment to recognise the inconvenience caused to Mrs S and Mr S.

Mrs S accepted this recommendation. But OCI didn’t, providing substantive comments setting out why.

These included, and are not limited to, OCI’s continued assertion that the renewal was non-advised. And that they were satisfied their advisor, and the supporting policy documentation, made it reasonably clear to Mrs S that the onus was on her to ensure the sum insured value was accurate. So, they didn’t agree they should cover the financial shortfall or pay Mrs S and Mr S compensation. As OCI didn’t agree, the complaint has been passed to me for a 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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I want to reassure both parties I've considered all the information that's been provided even if I haven't commented on it specifically. In line with our services informal approach as an alternative to the courts, my decision has focused on what I'm satisfied is the crux of the complaint brought by Mrs S, and the points I'm satisfied are pertinent to the decision I've reached.

I don't dispute that OCI provided their services to Mrs S, which included the arrangement and renewal of her policy, on a non-advised basis. So, I can understand the arguments OCI have presented following our investigators view and I want to make it clear I have considered this at length when reaching my decision.

But my decision must be made on the individual circumstances of the complaint brought to us by Mrs S. And when doing so, I've considered our services approach alongside fair and reasonable principles and Consumer Duty.

I note in this situation, while OCI were acting on a non-advised basis, on the call where Mrs S and OCI discussed her renewal and the information it was based on, there was a clear discussion surrounding the sum insured value included within the policy.

As there was a conversation where the sum insured was discussed specifically, our service would expect OCI to provide an appropriate level of support to Mrs S, regardless of whether they were acting in a non-advised capacity. So, I would expect OCI to have provided reasonable support to Mrs S given that there was a discussion around the sum insured – that means they should've helped Mrs S to understand what that means and how to estimate it.

Having listened to this call, I'm satisfied OCI reasonably invited Mrs S to confirm the sum insured value she wished to provide for the policy, considering it was set at the previous year's sum insured value at the time. And, that they explained this was important to ensure she wasn't underinsured in the event she made a claim. This demonstrates OCI was clearly aware of the consequences of a customer being underinsured

But following this explanation, having listened to the call, I'm satisfied it ought to have been reasonably aware to OCI's advisor that Mrs S was uncertain about the value she was providing, and how she couldn't be sure this was correct. Specifically, when Mrs S provided the £365,000 sum insured value, I'm satisfied her tone of voice made it clear she was providing this as more of a question to OCI, rather than a statement of fact. And, that Mrs S was providing this without preparation, having been put on the spot unexpectedly within the call.

At this point I think OCI's advisor ought reasonably to have been aware Mrs S was uncertain in the answer she had given. And given what I've said about OCI being aware of the consequences of Mrs S being underinsured, OCI's advisor should've taken appropriate steps to help Mrs S provide a reasonable answer to the question.

Considering this, and the fact OCI were the industry expert in this situation, I would have expected OCI to have provided Mrs S with guidance and support on how she could obtain a more accurate sum insured value – for example using the Building Cost Information Service (“BICS”) calculator readily available online. But OCI didn’t do this. Instead, they took the value of £365,000 without further question or discussion.

As I’m satisfied it was reasonably clear Mrs S provided this value as more of a question, suggesting she was seeking assurance this was correct, I’m satisfied it was reasonable for Mrs S as a regular member of the public to assume the value she provided was a reasonable one.

So, when Mrs S advised she would go away to consider the renewal price providing her time to read through the policy documents, I’m satisfied it was reasonable for Mrs S to review the sum insured value of £365,000 these documents included, alongside the notice that would have been visible when she logged into her customer portal, and assume the sum insured value included provided her with the correct, and adequate, level of insurance she required.

Looking beyond just a ‘fair and reasonable’ lens, I’ve also considered the Consumer Duty principle – in particular the customer understanding outcome. This required OCI to provide Mrs S with the right information, at the right time, in a format that she could understand, to enable her to make an informed decision. So, what OCI was required to do here was to guide Mrs S on the steps she could take to ensure she could provide the best, and most accurate, answer to the questions asked. This would’ve enabled Mrs S to make an informed decision on whether the £365,000 sum insured value given was correct, or whether she needed to take additional steps to provide a more accurate answer.

But it’s clear that when Mrs S came to make a claim in late 2023, this wasn’t the case. And I’m satisfied that had OCI provided Mrs S with the level of guidance and support our service would expect during this renewal call, this situation would most likely have been avoided. So, I’m satisfied OCI have acted unfairly and unreasonably here and that their actions failed to meet the obligations set out within Consumer Duty. Because of this, I’ve then turned to what OCI should do to put things right.

Putting things right

When deciding what OCI should do to put things right, any award or direction I make is intended to place Mrs S and Mr S back in the position they would have been in, had OCI acted fairly in the first place.

In this situation, had OCI acted fairly, they would have provided Mrs S with suitable and appropriate guidance that directed her on how to ensure the sum insured value she was providing for the policy was correct. And considering a reasonable person would expect a home insurance policy to adequately insure them for the entirety of their home, I’m persuaded Mrs S would have most likely taken this action. Had she done so, on the balance of probability, I’m persuaded Mrs S would have provided a new sum insured value that was appropriate for her property to ensure she wasn’t underinsured. So, in that situation, when Mrs S made a claim to A, it follows that I’m persuaded A would have accepted her claim and settled it in full, without a proportional reduction as has been the case.

Because of the above, I’m satisfied Mrs S and Mr S have been left at a financial disadvantage because of OCI’s failures. In this case the claim has been settled on a proportional basis by A. So, OCI need to pay compensation equivalent to the shortfall that Mrs S and Mr S have been left with. It will be for OCI to liaise with A to ensure the correct shortfall is paid.

Our investigator also recommended OCI pay Mrs S and Mr S a further compensatory payment of £150 to recognise the emotional and inconvenience they have been caused by the fact A provided a proportional settlement. Having considered this recommendation, I'm satisfied it's a fair one that falls in line with our services approach and what I would have directed, had it not already been put forward. So, it's one I'm now directing OCI to pay.

I'm satisfied it reasonably considers the shock and frustration Mrs S and Mr S would have felt when they discovered their claim wouldn't be covered in full, due to information agreed with OCI when the policy renewed. And that is also considers the inconvenience they will have no doubt suffered being left with an amount to find themselves to ensure their property is repaired and restored to its pre-loss condition.

But I'm satisfied it also fairly takes into consideration that the claim itself, and any impact caused by the situation that led to it, weren't the responsibility of OCI or something that they were able to control.

Again, I want to reiterate that this decision doesn't dispute that OCI were acting on a non-advised basis. But as I've set out above, my decision is made on the basis there was a direct conversation between OCI and Mrs S regarding the sum insured value, which ought to have led OCI to provide more guidance and support than they did, in the individual circumstances of that situation.

My final decision

For the reasons outlined above, I'm upholding Mrs S and Mr S' complaint about One Call Insurance Services Limited and I direct them to take the following action:

- Pay Mrs S and Mr S compensation equivalent to the shortfall they have been left with due to A's proportional settlement to ensure they receive the full claim value amount; and
- Pay Mrs S and Mr S an additional £150 compensation to recognise the distress and inconvenience Mrs S and Mr S have suffered.

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 4 February 2026.

Josh Haskey
Ombudsman