

The complaint

A charity, which I will refer to as B throughout this decision, has complained about the service provided by its insurance broker Scout Insurance Services Limited trading as Unity Insurance Services.

Mr R, as a trustee of B, has brought the complaint on its behalf.

What happened

B arranged its commercial combined insurance policy insurance through Unity. B's policy was due for renewal on 1 April 2025. Mr R has complained that there were several issues with the renewal process and Unity did not provide the service it was entitled to expect.

Mr R says the renewal documents from the insurer were dated 6 March 2025 but Unity did not send them to B until 27 March 2025, just four days before the policy was to renew. He says he had to chase Unity by phone and email for the renewal quote and for a response to queries about cover for an event that was being planned, and was repeatedly told the renewal quote had not yet been received. As a result, Mr R says he did Unity's job for it, so it should not receive its commission for the year. In addition, Unity's lack of service caused him and other members of the charity a great deal of stress and anxiety, as B would have had to stop operating if the insurance had not renewed.

Unity says it would usually expect the renewal terms around 21 days before renewal is due, which would have been around 11 March 2025 and it informed B of this, but it acknowledges they were dated 6 March and not sent on until 27 March 2025. Unity says it was also able to confirm a= in the date that there was cover for the event B was planning. It accepts it should have been more proactive and that there was delay in sending the renewal terms and offered compensation of £400 (increased from £100 and then £350) for this.

Mr R does not accept this is enough, as he says it is less than half the commission Unity had received for the arrangement of the insurance for the year. Mr R therefore referred the complaint to us.

One of our Investigators looked into the matter. She did not recommend that it be upheld, as she thought that the £400 compensation already offered was reasonable. The Investigator explained that she could not award any additional compensation for Mr R, personally, as it is the charity that is the complainant.

Mr R does not accept the Investigator's assessment. He has made a number of points in response. I have considered everything he has said and have summarised his main points below:

- Unity had done nothing to negotiate terms or compare other policies, which it had assured B it would do the previous year.
- Unity could have confirmed the cover for the event planned a lot sooner than it did.
- The charity is run by people who were all affected by this saga and to say no award can be made for personal distress is odd.

- In any case, he is not seeking personal recompense. And it is not a question of punishing Unity. He is asking that Unity not be paid because they didn't do the work to earn the commission; and anxiety and distress was suffered by the charity.

As the Investigator was unable to resolve the complaint, it has been passed to me.

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.

As a broker, Unity is subject to FCA rules. The rules required Unity to give B appropriate information about the policy being sold "*in good time and in a comprehensible form*".

The FCA Principles for Businesses are also relevant here. Principle 2 says that a financial firm, such as Unity, must conduct its business with "*due skill, care and diligence*".

I have considered everything provided to me about what happened leading up to the renewal of B's policy in April 2025 to determine if Unity met its obligations under these rules.

I can see that B contacted Unity to ask about the renewal terms and about cover for an event it was planning in June 2025. Unity made enquiries with the insurer but I can see that B chased responses to this. It is accepted that the insurer provided renewal quote to Unity on 6 March 2025 but Unity did not pass them on to B until 27 March 2025, after it had chased again. Unity also confirmed that there was potentially cover (depending on the final size of the event) with the existing policy. I accept that it could have given this information sooner.

Unity has accepted that it did not provide the service B was entitled to expect during this period and I agree. It did not act with due care and diligence in relation to the renewal. I have to therefore now consider what is required to put that right.

As the Investigator has explained, we can only consider and make an award that recognises the impact of any wrongdoing by a financial business on an eligible complainant. In this instance, the eligible complainant is a charity, rather than any individual. A charity cannot suffer stress, distress or frustration. And I cannot consider the impact on Mr R, or any other trustee or member of staff at B, personally of this. I appreciate this is a matter Mr R feels very strongly about and I realise that this has had a personal impact but I have no discretion about this.

I can however, make an award to recognise any inconvenience caused to B. Again, as the Investigator has already explained we do not have the power to fine or punish a business for any wrongdoing.

Sometimes things do go wrong and compensation is not an automatic right. Any award that is made is intended to be commensurate with the impact on B. I have to therefore consider what a reasonable amount of compensation, if any, is to reflect the issues caused to B.

I accept there was inconvenience to B's trustees in resolving the insurance matters, including chasing Unity for updates. I can see that it was becoming urgent and I take on board that without insurance cover in place the charity would not have been able to operate. However, there was no gap in cover and no indication that renewal was not going to be offered. I can also see that on 27 March 2025, Unity said it had arranged a seven day extension of the existing policy to allow B time to review the quote. It also said B could contact it if it needed more time.

Mr R feels very strongly that Unity shouldn't be allowed to keep any of the commission received for the renewal of its policy because he says it didn't do the work for it. However, even if I thought Unity had not properly earnt the commission, which I have not made any finding about, basing any compensation award on the commission amount, would in my view amount to a penalty against Unity. And it would not necessarily reflect the impact this matter has had on B.

Having considered everything, I think the offer of compensation already made by Unity is reasonable in all the circumstances for the trouble caused to B. I do not therefore intend to require it to pay any more than that.

My final decision

Scout Insurance Services Limited trading as Unity Insurance Services has already made an offer to pay B £400 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Scout Insurance Services Limited trading as Unity Insurance Services should pay B £400 compensation for the inconvenience caused by this matter, if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 2 February 2026.

Harriet McCarthy
Ombudsman