

## **The complaint**

Mr D and Miss Q complain about the way The National Farmers' Union Mutual Insurance Society Limited (NFU Mutual) have administered their commercial buildings and contents policy.

## **What happened**

The details of what happened are well known to both parties. I will summarise them here.

- Mr D and Miss Q have a buildings and contents insurance policy with NFU Mutual, that protects their three commercial properties.
- Mr D says he was contacted by NFU Mutual prior to the policy renewing in August 2024 and later complained that he'd been misinformed and he should be compensated.
- Amongst his complaint points, he said he'd been incorrectly told that he would have Rebuild Cost Appraisals (RCA) completed on the three properties at no cost. He also said he hadn't received as much of a premium refund as expected, following increasing the policy's voluntary excess. He was also unhappy as he said NFU Mutual were unfairly reducing cover through application of an average.

NFU Mutual responded to say they had calculated the correct premium refund and were fair to say an average would apply to a claim. They did, however, offer £500 compensation towards the RCA costs but said they shouldn't have said costs would be covered for this for the listed property.

Our Investigator looked into it and said NFU Mutual had acted fairly. He said the offer was fair and that the refund had been calculated correctly based on when Mr D and Miss Q eventually confirmed the excess increase.

Mr D and Miss Q remained unhappy and so the case 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 agree with the outcome reached by the Investigator, that NFU Mutual have done enough to put things right here. I'll explain why, taking each of the issues in turn.

### RCA costs

NFU Mutual acknowledges that prior to renewal in 2024, they offered Mr D and Miss Q to have the RCAs completed for the three properties at no cost. They say this was an error as one of the properties is a listed property and so this had extra cost as needed a site visit.

They provided a quote for this of £800, apologised and offered £500 as compensation for the misinformation. I think this is fair in the circumstances. NFU Mutual have confirmed their offer was an error and they are not obliged to honour it. They have explained how it happened and I think the compensation offer is fair for the impact of this.

Mr D didn't accept this. He says they should honour the offer. However, I don't agree and acknowledge it was a mistake.

#### Policy coverage

As the RCAs hadn't been completed by renewal in 2024, NFU Mutual applied an endorsement to the policy. In summary, it says that if they aren't completed within 60 days, NFU Mutual reserve the right to amend the terms of the policy and will write to confirm this within 7 days of the expiry of this period.

Mr D says that he wasn't written to within this period, and so the policy coverage alteration (application of an average rebuild cost) shouldn't apply. I don't agree. Whilst they didn't communicate the change within the period, they said they would, I think they are still acting fairly in applying it. The endorsement was clear, and it is a fair way to ensure the properties are adequately insured.

#### Reduction in premium/refund

Mr D has said that prior to renewal in 2024, he was told there would be a reduction in premium of approximately £900, if he increased the policy voluntary excess. He says he agreed to this. However, NFU Mutual say this was never agreed to until March 2025 (at which point they applied a pro rata refund) and can evidence this through a chaser from August 2024.

Mr D hasn't provided any evidence of him agreeing and accepting the increased excess and having reviewed the correspondence including calls with Mr D, I haven't seen any evidence to conclude there was an agreement on this. Only an offer to do so from NFU Mutual.

In summary, I think the offer of £500 is fair to put things right for the distress of finding out the RCA costs wouldn't be covered. NFU Mutual misadvised regarding this, but it wouldn't be fair to require them to stick by an error. I also think they have acted fairly in regard to the policy covered and premium refund.

#### **My final decision**

I don't uphold this complaint. The offer from The National Farmers' Union Mutual Insurance Society Limited of £500 compensation is fair. They should pay it, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Miss Q to accept or reject my decision before 13 April 2026.

Yoni Smith  
**Ombudsman**