

## The complaint

B (a limited company) complains that PolicyBee Ltd (“PolicyBee”) has mis-sold a business insurance policy by falsely describing its scope of cover.

Mr P has brought the complaint on behalf of B, so I’ll largely refer to him throughout. Any reference to B or PolicyBee includes respective agents or representatives.

## What happened

The background of this complaint is well known between the parties. So, I’ll just provide a summary of events.

- On 28 February 2025 Mr P bought business insurance through PolicyBee (a broker) through an online sale – with cover starting on 1 March 2025. This included professional indemnity insurance, and cyber and data insurance provided by an insurer - Company H. Mr P said he took out this cover after seeing PolicyBee’s online video advert which he said outlined the policy’s geographical limits meant he could work from anywhere.
- Mr P reached out to PolicyBee around this time to enquire if both policies would still provide cover if he moved to another country. PolicyBee told Mr P that neither policy would continue to provide cover if he was domiciled overseas. And an extended back and forth took place between the parties.
- Mr P disagreed and complained, saying the policy documentation (including the policy schedule and statement of fact) reflected the geographical limits of the policy were “*Worldwide*”. And he said the consequences could’ve been very significant for him had he not enquired and needed to make a claim.
- PolicyBee has said Mr P arranged alternative cover from 28 March 2025 at no additional cost. From what I’ve seen, Mr P hasn’t objected to this statement and has indicated alternate cover was arranged at no cost.
- On 22 April 2025 PolicyBee issued its final response letter. Within this it said:
  - It had spoken to Company H who confirmed the policy could not be extended to provide cover to B if Mr P was domiciled outside of the UK.
  - When purchasing the policy online Mr P was asked if he worked outside of the UK or under non-UK law contracts to which he answered “*no*”. It said the cover taken included worldwide geographical limits as standard. But Company H wouldn’t expect claims to arise or work to be conducted outside of the UK – in line with Mr P’s answer that he had given during the sale.
  - PolicyBee said Mr P had since obtained a new quote and policy, changing his above answer to “*yes*”. And this new policy provided cover for work outside of the UK at no extra cost.
  - PolicyBee said it “*appreciated*” there was no specific wording in the policy that stated policyholders must be domiciled in the UK and it said it had raised this with Company H. PolicyBee said it reviewed the advert Mr P had mentioned

and said it believed it to be technically correct and said this confirmed a policyholder could work geographically according to their schedule, and said this did not mention or refer to residing outside of the UK.

- PolicyBee said it believed there could be a clearer distinction between working overseas and residing overseas, so it awarded B £150 to reflect the time spent raising the concern and seeking alternative cover.
- Mr P brought his complaint to this Service. He said he was disgusted that a reputable insurance broker had provided misleading information to get individuals to sign up for cover. He said PolicyBee's acknowledgement of its mistakes hadn't gone far enough. He also said PolicyBee had yet to provide a refund.
- Our Investigator looked into what happened and didn't uphold the complaint, saying:
  - B had an obligation to make a fair representation of risk when taking out the policy. B had answered "no" to the question about the location of work being outside of the UK. And in light of this, and because there was nothing to suggest PolicyBee would cover B if the work was completed overseas she felt it had acted fairly.
  - It wasn't for the broker (PolicyBee) to determine the risk Company H was looking to take on. And if Mr P would like to raise a complaint about Company H he could raise this separately.
  - Mr P had since mentioned a refund being owed which hasn't materialised. As this hadn't been raised with PolicyBee, this would need to form a separate complaint.
  - It was for Mr P to determine whether or not he would wish to cash the cheque for £150 provided by PolicyBee.
- Mr P responded, saying he felt tricked into taking the policy based on what he'd seen online within PolicyBee's online adverts. And these specific details were reflected in the statement of fact he'd input.
- The Investigator looked again and said these points hadn't changed her mind. She reiterated her points and said even if she determined PolicyBee had made a mistake, she would need to consider the impact of this on B. And here, there was no impact as a no claim was made or declined and the policy was since altered. She also outlined this Service is unable to award compensation to a limited company for distress – even if distress had been caused to Mr P directly.

Mr P requested an Ombudsman's final decision, saying irrespective of what answer he'd given PolicyBee, it had been unclear. So, the case has been passed to me for a final 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.

This case concerns a dispute about the clarity of PolicyBee's information when selling a policy online. In this case there's no dispute that when setting up B's policy, Mr P answered "no" to the following question:

*"Do you work outside the UK or under non UK-law contracts?"*

There is also no dispute that the cover Mr P took out was suitable for B at the time the product was purchased. And in the exchanges from just after the policy began, Mr P asked:

*“My business is registered with the UK companies house and currently, I am also based in the UK but in the future, I maybe [sic] planning to move back to my native country [country]...”*

In the exchange that followed PolicyBee explained that this particular policy wouldn't cover B's needs if he moved to another country and highlighted he would need to be domiciled in the UK. And from what I've seen, Mr P did go on to arrange alternative cover that met B's needs (if he were to move) at no expense.

Simply, B's cover was amended to reflect the updated circumstances or potential change to Mr P's location in the future. So as far as I can see, there has been no financial impact on B, nor any reputational damage to B. Mr P said he felt PolicyBee should cover his premiums for the mistakes made. This isn't something I'd direct PolicyBee to cover given I'm not satisfied there's been any financial loss nor that the policy provided no benefit to B.

As our Investigator has highlighted, this Service cannot make awards for distress to a limited company. So, while I recognise Mr P has described this experience as causing him “*mental agony*” believing he'd been tricked and cheated. And I acknowledge Mr P has described the fear of the potential consequences to B and himself directly if he hadn't enquired with PolicyBee about his cover before moving abroad. But for the reasons I've given, these aren't matters I can compensate B for.

Mr P has focused heavily on the advert provided by PolicyBee and its accuracy. But even if I agreed this advert was unclear and misleading, and I was satisfied this would override any of the information Mr P had given PolicyBee – which I'm not – it simply wouldn't change anything as there would still remain no financial impact to B that I can award for. And this Service does not award for the *potential* impact of an event.

For these reasons I'm satisfied PolicyBee's response to this matter was reasonable. And I'm not going to direct it to do anything further. If Mr P decides to cash the cheque provided by PolicyBee, this will remain a decision of his own.

### **My final decision**

For the above reasons, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 19 February 2026.

Jack Baldry  
**Ombudsman**