

## **The complaint**

Mr S has complained that G11 Financial Management Limited (“G11”) provided a poor service and gave inaccurate information to Mr S’s building insurer, which resulted in the voidance of Mr S’s policy and the rejection of a claim, causing Mr S financial loss.

Mr S has been represented in this complaint. For ease, I’ll refer to the representative’s comments as Mr S’s own.

## **What happened**

Mr S owns a commercial premises and Mr S’s brokers, G11, have been instructed to arrange insurance for the building for several years. In October 2022, G11 arranged for a new policy to be taken out.

In November 2022, Mr S made a claim for malicious damage as it came to light that the property had been used as a cannabis farm. A loss adjuster was appointed to validate the claim.

Following an inspection, the insurer voided the policy on the basis that Mr S hadn’t made a fair presentation of the risk. The insurer said it had been told the property was only one-storey when it actually comprised a two-storey building, and that it wouldn’t have insured the two-storey building due to its poor condition.

It also said it had been told there was only one tenant when there were three, and that the tenants weren’t those that were declared (building contractors) but were instead three storage companies and a food preparation company (which is disputed by Mr S). It said Mr S had been aware of issues with the tenant regarding non-payment of rent since July 2022, and that when policy cover was incepted in November 2022, those issues hadn’t been disclosed. It also said the cannabis farm would’ve been well-established at the point the cover started.

Mr S complained to the insurer, and to G11, saying G11 hadn’t passed on accurate information to his insurer when it incorrectly identified the property as a one-storey building and failed to correct the insurer when it sought clarification of which units comprised the risk address. Mr S also said G11 had passed on information to the insurer without giving him an opportunity to correct that information. And he said that if the insurer thought the tenants were different to those disclosed, it was likely the insurer was confusing the various units.

He also said G11 hadn’t passed on important information about the policy voidance to Mr S, and that it also didn’t pass on in a timely manner the refund it received from the insurer when it voided his policy.

In its response to the complaint, G11 said it was the insurer that had made a mistake in declining cover and voiding the policy, as it had used old online images to conclude that the property was in a poor condition. It said it didn’t agree with the policy voidance on any grounds and that whilst had taken a back seat while loss assessors had dealt with the claim, it believed it had done everything it could to support Mr S.

Mr S didn't accept G11's response, so he referred his complaint to the Financial Ombudsman Service. Our Investigator considered the complaint, and ultimately concluded that G11 had caused Mr S financial loss, and that G11 should pay for the claim to be assessed in line with the policy terms, and if accepted, pay the reasonable costs associated with the claim, plus interest, and compensation.

G11 didn't agree. So it asked for the matter to be reviewed afresh by an Ombudsman. The complaint was therefore referred to me to decide. I issued my provisional decision on 8 December 2025 and I've included an extract below:

*"I should first clarify that Mr S has brought a separate complaint to this Service, in which I'm considering the actions of the insurer. So I won't comment on that in detail here. From what I've seen however, there were mistakes made by G11 – but that doesn't mean I think G11 is responsible for the claim being declined or the voidance of the policy.*

*I say this because Mr S held a commercial insurance policy, so the relevant legislation for me to consider is the Insurance Act 2015. And under the Act, commercial policyholders have an obligation to volunteer the right information to an insurer when taking out a policy, i.e. they have a duty to make a fair presentation of the risk. This means a commercial customer has to disclose either:*

- *Everything they know, or ought to know that would influence the judgment of an insurer in deciding whether to insure the risk and on what terms; or*
- *Enough information to put an insurer on notice that it needs to make further enquiries about potentially material circumstances.*

*The Act also says that a policyholder ought to know information that should reasonably have been revealed by a reasonable search of information available to them.*

*G11's role as Mr S's broker means it acted as Mr S's agent. While it was responsible for passing on information accurately to the insurer, the ultimate responsibility for ensuring that information was correct lay with Mr S – particularly as I've seen G11 provided opportunities for Mr S to check the information being provided was accurate.*

*G11 provided quotes on a non-advised basis and for the 2022-2023 policy year it sent Mr S the renewal terms and the quotations via email and post on 19 October 2022. These were then re-sent at Mr S's request on 3 November and 4 November 2022. After reviewing the options, Mr S chose his preferred quote. I've checked the insurance schedule to understand what information was provided and in this document, I can see that the "Occupancy" of the building was declared as "Building Contracting". I've seen no evidence Mr S corrected any of the information G11 had provided, despite the following reminder which was included in the correspondence:*

*"You are reminded that you have a continuous duty to disclose all material facts which could affect whether an insurer continues to offer you insurance, and the premiums and the terms applicable. If you are in any doubt as to whether information is material, you should disclose it anyway. Failure to disclose such necessary information could invalidate your insurance and/or result in a claim not being paid."*

*In addition to the above, G11's own terms of business which were also provided to Mr S say the following:*

*"Fair presentation of risk (non consumer clients)*

*It is your statutory duty before entering into a contract of insurance, prior to an alteration and at renewal to make a fair presentation of the risk to be insured and to ensure that information is provided in a clear and accessible format. Once we have collated the information about the risk copies of the information will be sent to you for checking. Every material circumstance known to you should be disclosed. We will expect you to make reasonable enquiries and proactively gather information however, where this is not practical you must make us aware, as your broker, that further enquiries are needed to accurately underwrite the risk. Any questions put to you in a proposal form or otherwise must be answered honestly, accurately and in good faith."*

*So, as Mr S was advised of his duty to make a fair presentation of risk, and was provided with a number of opportunities to correct the occupant type, from "building contractor" to "storage company", the non-disclosure of this material circumstance to the insurer was one Mr S could've prevented.*

*Whilst I accept G11 made other mistakes, which I've considered in detail in this decision, those errors were not the only reasons the insurer voided the policy. Ultimately, the insurer discovered that there'd been a significant change in the risk profile (as it considered a building contractor a significantly different type of risk to a storage company.)*

*Mr S disputes this and says there was only one tenant and that G11 must have caused the insurer to confuse his two-storey property (unit 1) with the one-storey building attached to it (unit 1A) when it incorrectly identified the risk address as unit 1A in discussions with the insurer.*

*I've seen those communications and can see that G11 made a mistake when it passed on the incorrect risk address to the insurer. It told the insurer "Yes the commercial unit is the 1 storey building not the house or 2 storey building". But this wasn't correct and the risk address did comprise the two-storey building. So G11 should've checked the details with Mr S before responding to the insurer with incorrect information.*

*However, I'm satisfied the insurer didn't confuse the properties, because the loss adjuster commented "We were not shown the single storey food preparation building, only the two storey premises within which the cannabis farm facilities had been destroyed".*

*I'm satisfied therefore that the insurer's comments about the premises being used for storage, related to the correct, two-storey building (unit 1) and not the building its loss adjuster wasn't shown (unit 1A).*

*I've seen a copy of the loss adjuster's report which says:*

*"Your Insured is [Mr S] (DOB....). The property was bought by his late father in 1986 and came into the insured's possession upon his father's death in 2014.*

*From 2005 until December 2020 the property occupied as a storage facility by the same company. When they moved out a number of companies expressed an interest and the insured let it to another company which wanted to use it merely as storage."*

*The report also states next to "OCCUPATION OF PREMISES" that it was "Occupied by tenants for storage" and next to "USAGE OF BUILDING" that it was used for "Storage".*

*The loss adjuster has confirmed to this Service that Mr S was present at the inspection and during the conversation about the use of the premises as a storage facility. I've seen the file note which confirms that the policyholder was present, and given the personal details provided about how Mr S came to acquire the property I think it's likely Mr S was involved in*

*that conversation. There's no evidence that Mr S corrected the information that was being given to the loss adjuster, for example, to say that the property was in fact used as a builder's yard and not a storage facility.*

*It follows therefore that I'm satisfied the property was being used as a storage facility, and not as a builder's office or contractor's yard, as declared. I'm persuaded that the risk associated with each of these uses is significantly different and that Mr S had the opportunity to provide the correct occupancy details to G11. I've not seen evidence that he did this at any time. So I'm not persuaded Mr S made a fair presentation of the risk when the policy was taken out and I don't currently think G11 was responsible for the ultimate avoidance of the policy.*

*The insurer has provided this Service with underwriting information to confirm it wouldn't have offered a quote had it known the property was used for storage. As it considered the misrepresentation neither deliberate nor reckless, it was entitled to void the policy and refuse all claims, as well as refund the premiums*

*In addition, I've seen that the insurer's policy terms required regular inspections in the event of a successful claim for the illegal cultivation of drugs, so even if the insurer hadn't voided the policy, it's unlikely the claim would've succeeded without evidence of regular inspections.*

*That being said, I currently think G11 did make mistakes which caused Mr S distress and inconvenience for which he should be compensated. It failed to pass on the avoidance letter as soon as it was received, and it provided incorrect information to the insurer regarding the risk address – which it could and should have checked with Mr S. Mr S also complained that he didn't receive his premium refund in a timely manner and that he had to chase for responses on many occasions. G11 also failed to respond to Mr S's solicitors in a timely manner, or to questions from the insurer.*

*Overall, I consider Mr S has been caused significant trouble which could've been avoided with better communication and an improved service from G11, so I intend to require G11 to increase the compensation payable for this complaint to £1,000 in total, to recognise the impact of its errors on Mr S.*

*It's worth noting that the insurer says it's likely the cannabis farm was in place before inception of the policy, so Mr S should make enquiries with his previous insurer in case there's cover available."*

Both parties responded to my provisional decision. Mr S's representatives said G11 had still not paid back the premiums it had received from the insurer for the invalidated policy and this needed to be paid in addition to the £1,000 compensation. They also requested that a deadline be set for G11 to pay the compensation and that G11 should provide a letter explaining that cancellation of the policy wasn't Mr S's fault.

G11 said it accepted my provisional decision. It also sent a copy of the risk details document which was completed when the property details were first obtained from Mr S. These show that next to: "Type of Tenants" it was stated that they were "Commercial Only" and "Builders office and storage".

### **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.

It's clear from the information I've seen, that Mr S told G11 that the property was occupied

by a building contractor for its office and storage.

I think Mr S had opportunities to correct the information presented to the insurer, by advising G11 that the property was actually used by storage companies, or by explaining to the insurer at the site visit that the property was in fact used as a builder's office and storage. And I haven't seen any evidence that he did this, so I don't consider G11 was responsible for the incorrect information that was passed on to the insurer.

It follows therefore that I don't consider G11 is responsible for the claim decline or the voidance of the policy, so I don't require it to provide a letter explaining that Mr S was not at fault. But I do still consider G11 could've provided a better service to Mr S, for the reasons I've given in my provisional decision.

As neither party has provided any information which has changed my view of this complaint, I'm upholding the complaint in line with my provisional decision, which now forms part of this final decision.

I therefore require it to pay Mr S a total of £1,000 in compensation for the impact of its errors and actions, in addition to the premium refund it has already agreed to pay. Both payments should be made promptly on receipt of Mr S's bank details.

I note G11 has accepted my provisional decision and as it had already agreed to a compensation payment of £500 following our Investigator's view, it may deduct from the £1,000 I have awarded Mr S any amount it's already paid Mr S for this complaint. If it has not yet paid Mr S any compensation, then it must pay the full £1,000 as well as the premium refund, within four weeks of it being notified that Mr S has accepted this decision.

### **Putting things right**

G11 Financial Management Limited must pay Mr S £1,000 compensation for distress and inconvenience, from which it may deduct any amount it's already paid Mr S for this complaint. This is in addition to the premium refund it has already agreed to pay Mr S.

G11 Financial Management Limited must pay the compensation within 28 calendar days of the date on which we tell it Mr S accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at a rate of 8% a year simple.

### **My final decision**

My final decision is that I uphold this complaint and I direct G11 Financial Management Limited to put things right for Mr S as I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 January 2026.

Ifrah Malik  
**Ombudsman**