

The complaint

A company, which I'll refer to as T, complains that Livingstones of London Limited (Livingstones) didn't inform it that its commercial combined insurance policy had been avoided by the insurer. It also says it hasn't received a full refund of the premium following the policy's cancellation.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

I'm considering this complaint against Livingstones, the broker of the policy. So, I've only considered their actions in relation to this matter and any loss caused as a result of those actions. I haven't considered whether the policy avoidance is correct because the responsibility for that lies with the insurer, and this has been considered already under a separate complaint.

T took out a commercial combined insurance policy through its broker, Livingstones.

In July 2024, T submitted a claim to its insurer following an injury at its premises. The insurer avoided the policy from inception due to non-disclosure of CCJs. But T says it was unaware the policy had been avoided.

The insurer says it informed Livingstones of the avoidance in September 2024, and that a full refund of the premium for the 2024 to 2025 policy year was paid to Livingstones to refund to T.

T says it only became aware the policy had been avoided when it was informed by a solicitor dealing with the personal injury claim. It also says it continued paying instalments towards the premium even after the policy had been avoided.

In October 2025, T received payment for £1,400.91 from Livingstones. T asked Livingstones why the full premium of £2,305.20 hadn't been refunded. T says Livingstones said they would look into this but didn't respond further.

Unhappy with how Livingstones handled the matter, T brought its complaint to the Financial Ombudsman Service.

Our Investigator contacted Livingstones for a copy of their file and to understand what deductions had been made from the refund and why. Despite several attempts, Livingstones didn't respond about the merits of the complaint, or provide a copy of their file.

Our attempts to obtain Livingstones' file

We have still not received a copy of Livingstones' file on this complaint, despite many requests. I list those requests below.

- 25 November 2025: we sent our initial file request to Livingstones via email.
- 16 December 2025: one of our Investigator's contacted Livingstones by telephone to chase their file. Livingstones said the request went to their junk folder and they would respond. We gave them until 6 January 2026 to provide their file.
- 9 January 2026: we still hadn't received Livingstones' file, so our Investigator sent another chaser by email. He explained in his email that if he hadn't received Livingstones' file by 16 January 2026 he would issue his opinion on this complaint without waiting for the file. Livingstones acknowledged our Investigator's email and said the case handler had been on unexpected early paternity leave, but the file was ready, and they will send it as soon as possible.
- 21 January 2026: Livingstones still hadn't provided a copy of their file, so our investigator issued his opinion on this complaint (see below). He sent his opinion to both parties via email.
- 9 February 2026: our Investigator chased Livingstones again by telephone. Livingstones said the case handler had been out of the office, but they will get their file over to us by 12 February 2026.
- 11 February 2026: Livingstones contacted our Investigator. The case handler said he has now returned from paternity leave, and the file wasn't assigned to anyone else in his absence. He said he would respond by 12 February 2026, if not sooner.
- 16 February 2026: our investigator had still not received Livingstones' file, nor had he received a substantive response to his opinion. He sent an email to Livingstones to explain that he was now referring the complaint to an ombudsman based on the information we have on file. He gave Livingstones until 2 March 2026 to provide any further information, they'd like the ombudsman to consider. Livingstones didn't respond.

Our investigator's opinion

Our investigator issued his opinion on this complaint on 21 January 2026. In summary, he said:

- T wasn't aware its policy had been avoided in September 2024.
- Livingstones eventually refunded some of the premium for the cancelled policy, but it took over a year to do so and retained £904.29 without explaining why.
- Livingstones didn't respond about the delay or provide evidence to show that the amount they had retained was fair.
- Based on the limited evidence available, our Investigator didn't think T received the correct refund, and the amount that was refunded, was significantly delayed.
- Unless Livingstones could provide further evidence, he thought they should refund the amount they had retained - £904.29. He also thought this amount should be paid with interest at 8% simple from October 2024 until settlement. In addition, he recommended Livingstones pay T £200 compensation for the inconvenience caused by their handling of the matter.

T accepted our investigator's opinion. Livingstones neither accepted nor rejected it but said that they would respond. However, we didn't receive any further reply.

Our rules

Our rules are set out in full in the Financial Conduct Authority's Handbook, available in full at <https://www.handbook.fca.org.uk/handbook/DISP/>.

DISP 3.5.9R says:

"The Ombudsman may: ...

(3) reach a decision on the basis of what has been supplied and take account of the failure by a party to provide information requested".

DISP 3.5.13R says:

"The Ombudsman may fix (and extend) time limits for any aspect of the consideration of a complaint by the Financial Ombudsman Service."

DISP 3.5.14R says:

"If a respondent fails to comply with a time limit, the Ombudsman may:

- (1) proceed with consideration of the complaint; and
- (2) include provision for any material distress or material inconvenience caused by that failure in any award which he decides to make."

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.

I haven't received any evidence directly from Livingstones. Nevertheless, I consider it appropriate to issue this final decision without giving Livingstones any more time. I'm satisfied that we've given Livingstones ample opportunity to provide evidence if it wished to do so.

I also note that we explicitly warned Livingstones that we may determine T's complaint on the basis of the information provided by T unless Livingstones provided its evidence by 12 February 2026. That date has now passed. Our rules allow me to proceed with my consideration of this complaint.

In this case, the available evidence is incomplete. I've therefore determined the complaint based on the information available to me and what I consider to be a fair and reasonable outcome in all the circumstances.

Having considered all the evidence available, I haven't seen anything to show that Livingstones informed T that its policy had been avoided. This meant T was left without cover until it later became aware of the avoidance.

I also note, there was a delay of around one year before part of the premium was refunded to T.

Livingstones also retained £904.29 from the refund, but they haven't explained or evidenced

why this deduction was made or why it was fair. In the circumstances, I'm not satisfied that Livingstones acted fairly and reasonably.

I acknowledge the possibility that Livingstones may be entitled to deduct a reasonable amount from the premium refund for administering the policy. However, given the available evidence doesn't persuade me that it did so fairly, I consider it reasonable to endorse our Investigator's conclusions, for the reasons he gave.

My final decision

My final decision is that I uphold this complaint. I order Livingstones of London Limited to pay T the following:

- the amount it retained from the premium refund - £904.29, with interest at 8% simple, from 1 October 2024 to the date the payment is made.
- £200 compensation for the inconvenience caused by this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 14 April 2026.

Ankita Patel
Ombudsman