

## The complaint

Mr W is unhappy that Openwork Limited misrepresented his situation when he took out a new home insurance policy, causing his policy to be voided and his claim refused.

## What happened

In July 2020 Mr W used Openwork to help him with a mortgage for his new home and to take out home insurance cover. He told Openwork in writing that he had a lodger. Openwork didn't tell the insurer about the lodger.

The policy renewed annually. On 1 August 2022 the insurer changed and cover continued to be based on incorrect information.

In 2024 Mr W made a claim to his insurer after his home was damaged by a water leak. When the insurer became aware of the fact that Mr W had a lodger, it voided the policy and declined the claim. It refunded £1,079.63 being the premiums he'd paid from 1 August 2022.

Mr W arranged for the leak to be repaired and the damaged flooring replaced.

Mr W complained to Openwork. He thought it was Openwork's fault that his policy had been voided. Openwork accepted that it had recommended an insurance policy that wasn't suitable for Mr W as that particular insurer didn't offer cover for properties with a lodger. It offered him interest on the premiums which had been refunded and £500 compensation for the stress it had caused him.

Mr W referred his complaint to this service. I issued a provisional decision explaining why I was minded to uphold the complaint in part. An extract from my provisional findings is set out below:

*"Openwork has accepted that it made a mistake as it's not in dispute that Mr W told it about his lodger before taking out the policy. We don't punish businesses for getting things wrong. We're here to put things right for consumers where we think they've lost out as a result of a mistake on the part of a financial business.*

*In this case Mr W says he would have claimed for £1,683 from his insurer being £1,485 for having replacement flooring fitted and £198 for an emergency plumber. There was an excess of £500 in his policy for escape of water claims. So the most he would have received if his claim had been accepted was £1,183.*

*Mr W received £1,079.63 from his insurer being a refund of the premiums he'd paid from August 2022. Openwork offered him (net) interest of £199.70 on that amount. That is a total of £1,279.33, more than he would have received if his claim had been successful. I'm sorry to disappoint Mr W but I don't think it would be fair to award him any more than this in respect of his financial loss.*

*With regard to the premiums Mr W paid to a different insurer prior to 1 August 2022, that policy wasn't actually voided. So it would be unfair for me to require Openwork to refund*

*those premiums.*

*Most people find having a policy voided to be a very stressful experience and Mr W was no exception. As well as the disappointment of his claim being refused, he would have found it more difficult to obtain replacement cover. But to its credit Openwork has recognised that and offered £500 compensation. I think that was reasonable in the circumstances and in line with what I would have awarded if no such offer had been made.*

*Openwork was Mr W's broker and not his insurer. The decision to void the policy was made by the insurer. Insurers will often agree to remove all records of a voidance from internal and external databases if it is found the policy has been mis-sold. Openwork confirmed that in its final response letter. To put things right I think Openwork should approach Mr W's insurer with this information and request it to remove all records of the voidance."*

### **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 neither party had any comments on my provisional findings, I see no reason to change them and they now form part of this final decision.

### **Putting things right**

To put things right I think Openwork should approach Mr W's insurer with information about the mis-sale of his policy and request it to remove all records of the voidance from internal and external databases.

### **My final decision**

I uphold this complaint in part and require Openwork Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 April 2026.

Elizabeth Grant  
**Ombudsman**