

complaint

Mr P complains that when he took out public liability insurance through Moneywise Investments Plc, the policy sold to him didn't provide the cover he needed.

background

Mr P was carrying out buildings work and as part of this, he needed to connect to the main water sewer. He already had insurance in place but emailed Moneywise to say that – due to the local council's requirements – he needed to increase his public liability insurance to £10m for a short period while the work was being done.

Moneywise contacted a wholesale broker who found a policy with another insurer (not the same insurer that provided Mr P's existing cover). Moneywise then emailed Mr P to say cover would be in place for the required period for an extra £8m over the existing £2m policy.

Following an incident while the work was being done, Mr P made a claim on his policy. The claim was for less than £2m and so it was dealt with under the original policy by that insurer. His claim was rejected because that policy had an exclusion for any work being done to a depth of more than two metres.

Mr P complained. He said he'd provided all the details to Moneywise and made it clear the work would be to a depth of over three metres. So Moneywise had sold the wrong policy to him.

Moneywise didn't accept that it had done anything wrong. It said Mr P had asked for additional cover up to £10m and that's what was provided. It also said he was well aware the existing policy only covered work up to a depth of two metres and didn't ask for this to be changed. .

When Mr P brought his complaint to this service, our investigator didn't think Moneywise was at fault. He said this wasn't an advised sale, so Moneywise hadn't reviewed Mr P's needs and its duty was only to make sure the information provided to Mr P was clear. He thought the policy details were clear, and it was for Mr P to check the policy documents.

Mr P disagreed. He said he had made it clear to Moneywise that he needed cover for work being done at more than two metres deep and, as Moneywise knew this, it should have provided a policy that covered this. He also said the investigator hadn't taken into account that Moneywise never sent the policy documents to him.

The investigator considered Mr P's further comments but didn't change his view. As no agreement has been reached the case has been passed to me for a decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr P already had an insurance policy but it only provided cover up to £2m and he needed to increase this. That policy didn't provide cover if the works being done were at a depth of more than two metres. The specific bit of work to be done involved digging a trench over three metres deep. So as well as increasing the amount of indemnity to £10m, Mr P also needed to have cover for works being done at below two metres.

But Mr P didn't ask for this – he simply told Moneywise he needed to increase the indemnity to £10m. He sent copies of documents relating to the work, and there was information within those documents saying the trench would be more than two metres deep. He says this was enough to make Moneywise aware of what he needed.

This wasn't an advised sale – Mr P didn't ask for advice on what type of policy was suitable, and Moneywise didn't assess his needs or make a recommendation. The existing policy Mr P already had didn't provide cover for trenches more than two metres deep and he didn't ask Moneywise to change that. He simply asked for additional cover, to increase the indemnity to £10m. Moneywise sold him the extra cover he'd asked for. If he wanted to make other changes, he could have requested them, but he didn't.

Mr P says he wasn't sent any policy documents; all he got was an email telling him additional cover was in place up to £10m. As he'd told Moneywise what he needed and was told this was in place, he thought he would be covered.

Moneywise has explained that although some communication with Mr P was done by email, the policy documents were sent to him by post. The new policy didn't change the nature of the cover, it simply increased the amount to £10m. And in my judgment, the policy documents were clear.

In any event, the claim wasn't considered under the new policy – it was dealt with under the policy already in place, which already had an exclusion for trenches over two metres deep. So regardless of whether Mr P had taken out the top up cover or not, that made no difference to this claim.

For these reasons, I don't think the policy was mis-sold. But even if it had been, it would have made no difference since the claim was dealt with under the original policy.

my final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 22 April 2019.

Peter Whiteley
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