

complaint

Ms S complains that her retail buildings and contents policy was mis-sold by Prestige Insurance Management Limited.

background

In July 2012 Ms S took out a retail buildings and contents insurance policy following an advised sale by her broker Prestige. In November 2012, Ms S made a claim on the policy following a serious leak from a colonic irrigation machine at her commercial premises. The insurer accepted the claim, however, it applied the average clause to the settlement because it considered her to be underinsured. It valued Ms S's contents at over £200,000 when her contents sum insured was just £20,000.

Ms S accepted the insurer's decision. However, she considers that the policy was mis-sold to her by Prestige. She is unhappy for the following reasons:

- The sum insured for her contents insurance is £20,000. She considers she asked that this figure be set at £200,000 to reflect the value of the machines.
- Because her policy documentation was never sent to her, she was unaware of Prestige's mistake until after the claim.
- Prestige has failed to provide the telephone recording of the second call between her and her broker following their initial information gathering conversation. She explains that it was during this conversation that she made it clear what sums insured she required.

Our adjudicator investigated Ms S's complaint but didn't think it should be upheld. She thought that whilst it was unfortunate that a copy of the call couldn't be located, a copy of the quotation had been sent to Ms S which detailed the sum insured as £20,000. The premium was calculated on this sum insured. Our adjudicator thought that if the sum insured had increased by ten times then the premium would have increased to reflect this. She noted that Ms S hadn't queried this with Prestige.

She also reviewed the policy documentation. She thought that Prestige provided Ms S with enough information to make an informed decision. She acknowledged that Ms S said that she never received this documentation but felt that, if this was the case, she could've asked to be provided with a copy of the policy documents. She didn't think Prestige was at fault in this respect.

Ms S was unhappy with our adjudicator's conclusions. She said Prestige was withholding vital information which had prejudiced her. She asked for her complaint to be referred for an ombudsman's 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.

Ms S has complained that her policy was mis-sold by Prestige and that she suffered a significant loss as a result of its error.

Prestige submitted a telephone recording of the conversation Ms S had with one of its brokers. During that call, Ms S confirms that she required £20,000 of contents cover. At the end of the conversation, the broker confirms that he will contact Ms S again to confirm the cover and the quote he is able to obtain. Ms S has said that when the broker called her back, it became clear during that conversation that the contents cover needed to be increased to £200,000. She has also said that she never received any policy documents. Prestige says that it was never asked to increase the sum insured to £200,000 and so the policy hadn't been mis-sold.

Unfortunately, Prestige has been unable to provide a copy recording of the second telephone conversation. It has though, provided a copy of the correctly addressed quote that was sent to Ms S. The premium Ms S was quoted, and subsequently charged, was based on a sum insured of £20,000. Prestige has said that if Ms S had requested that the sum insured increase to £200,000 then the premium she was charged would've increased significantly to reflect that. I have to say that I agree. Ms S was only ever charged the premium she was first quoted (based on a contents sum insured of £20,000). I've seen no evidence that she queried this with Prestige following inception.

Prestige has confirmed that the policy documentation was sent to Ms S following inception. Having reviewed this documentation, I think it clearly set out the sum insured. The documentation was correctly addressed and, although I appreciate that Ms S may not have received it, I don't think (if she didn't) that this was the fault of Prestige. I also think, if she didn't receive the documents, then she could have asked for them to be sent to her, particularly if she had increased the level of cover during the second call.

Although it hasn't influenced my final decision, I note that Ms S has been asked to provide us with a copy of her previous policy. We often ask for this in mis-sale complaints, particularly when there is a dispute around the sums insured following a claim. I note that Ms S has been contacted by our adjudicator on numerous occasions by email, letter and telephone, however, she hasn't responded to any of these attempts.

I think the evidence isn't persuasive enough to let me conclude that Ms S asked for her contents sum insured to be increased to £200,000 and that Prestige failed to act on her instruction. I think that Prestige gave Ms S enough information about her policy to allow her to make an informed decision about its suitability for her needs. If Ms S didn't receive the policy documentation, she had sufficient opportunity to request a copy of the documentation following inception. I believe to have done so, would have been reasonable in the circumstances.

my final decision

My final decision is that I don't uphold this complaint and I make no award against Prestige Insurance Management Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 27 November 2015.

Claire Woollerson
ombudsman