

complaint

Mr B says that M.E.M Insurance Brokers Ltd (M.E.M) didn't give him the right advice about a property insurance policy it arranged for him.

background

Mr B had used M.E.M for a number of years. In 2014 he was moving house and set up a buildings insurance policy for his new (but not moved into) home. A short while later he added contents insurance. The policy renewed in September 2015.

Around the renewal date, Mr B called M.E.M and removed specified cover for a guitar. At the same time he added a remote controlled model aeroplane to the policy. He says that he asked M.E.M if his bicycles were covered which he stored in his garage. He says that he was told that if they were each valued under £2,500 he was fine.

Unfortunately, not long after his property was broken into and his bikes were stolen. I understand that they are valued at around £7,000 in total. The insurer told Mr B that the maximum the policy covers for items in garages or outbuildings is £2,500. Mr B thinks M.E.M didn't set up the policy properly and gave him incorrect advice.

M.E.M says that it sent Mr B a copy of the policy in 2014 which explains the policy limits. (Mr B says he received this but doesn't think it's relevant because it was for the previous policy year). It also says that there was no discussion at renewal about bicycles – only the guitar and model aeroplane. It's provided a copy of its phone notes that it says shows this.

It also says that at renewal it sent a 'key facts' document that further highlights the limitation for claims from garages or outbuildings.

Our adjudicator didn't think that M.E.M had done anything wrong. Mr B disagrees so the case has been passed to me.

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 B says that the policy document that was sent to him in 2014 isn't relevant to this complaint because it concerned the previous policy year. I don't agree with him. It's common practice for insurer's or brokers not to send out a new policy document every year. This is because they often don't change – as appears to be the case here. When they do, insurers will often send a document at renewal explaining what part of the policy has been amended for the coming year.

So Mr B could have known that a maximum of £2,500 would have been paid for losses from garages or outbuildings.

I've also looked very carefully at the system notes M.E.M provided when Mr B amended his cover (taking off the guitar and adding the model aeroplane). The notes are relatively detailed but there is no mention of Mr B discussing his bicycles. And the person who took the call has said that this wasn't discussed.

I accept that Mr B might have asked about cover for his bicycles, but I think the most persuasive evidence is the phone notes. Because of this, I don't think Mr B has shown that, on balance, M.E.M misled him.

I asked M.E.M to show me how it set up the policy. It's provided me with the screens their staff use to set up policies – both uncompleted ones and the ones used when Mr B's policy was set up. Although those screens don't highlight the limitation regarding garages and outbuildings, they do discuss cover for bicycles. And they record that Mr B indicated that he didn't want specific cover for bicycles.

I can't be sure that Mr B received the key facts document when his policy renewed - where the policy limits are highlighted. But I do think that Mr B had the opportunity to establish what cover he had and if it was adequate before the bicycles were stolen. I don't think Mr B asked for the additional cover for his bicycles.

Because of this, I don't think M.E.M has treated Mr B unfairly.

my final decision

I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 April 2016.

Michael McMahon
ombudsman