

## **complaint**

Mr C complains that MD Insurance Services Ltd failed to return all the money he'd paid for a building warranty, when he cancelled it. MDIS act for a branded policy but I shall for convenience refer to MDIS throughout

## **background**

Mr C arranged through MDIS to obtain a building warranty on two properties he was developing. He accepted an offer, the premium for himself and the builder included site audit fees during the building of the properties.

After several site visits Mr C became concerned with the conduct of the surveyor, who he found to be needlessly aggressive. MDIS agreed to appoint a new surveyor. That surveyor visited in February 2015 and required further details on work that the previous surveyor had passed as satisfactory. Then Mr C's builder said that he didn't want to be registered with MDIS. Part of the process required the builder to be registered and to pay registration fees. Mr C decided in July 2015 that he would cancel the policy. MDIS recognised there had been some errors in Mr C's case, but it still had had to incur site fees. It agreed to refund the premiums and one half of the site audit fees. This still meant that it has retained £813. Mr C thought this was unfair and that he should receive all of his money back

On referral to this service our adjudicator didn't uphold Mr C's complaint. He thought that MDIS's offer was reasonable. Mr C didn't agree, and the matter 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 C's complaints about MDIS are:

- Administration – he was asked twice to pay an invoice he had already paid.
- The first surveyor on a site visit was “aggressive and nasty” and gave the impression that MDIS wouldn't be providing insurance cover.
- He hadn't received an information pack or a manual.
- He was told the warranty had already been cancelled when this related to another customer with a similar name.
- When the new surveyor made a site visit she asked for further details of the ground floor when he'd been told by the previous surveyor that no further action was needed.
- Difficulty in getting MDIS to return calls.

MDIS accepted that there had been errors. When Mr C cancelled the policy it gave him the benefit of a substantial reduction in the cancellation charge. Mr C felt he should have all the money returned plus a payment for stress and inconvenience because he was led to believe MDIS might refuse to issue the warranty.

Mr C signed an acceptance of MDIS's quotation for insurance. This included an acknowledgement that certain charges would be payable on cancellation. This said that fees and an administration fee would apply, depending on what stage the cancellation was made.

It also made clear that the builder must be the main contractor on site throughout the construction. I understand that the developer and the builder's registration fees weren't charged.

As MDIS had made several site visits at the time of cancellation it was in my view entitled to retain some of the costs of that. It recognised that some mistakes were made. It does appear that both surveyors had some concerns about the ground floor construction but I recognise that it must have caused some alarm, having been assured by the first surveyor when asked for more details by the second surveyor. I must also take into account that the builder refused to be registered with MDIS. I can also understand the irritation at the administrative mistakes made.

Overall I've taken into account the service provided to Mr C and that MDIS was entitled to raise issues over the warranty during the construction, I think the agreement by MDIS to retain the amount quoted fairly reflects the trouble and upset caused to Mr C.

### **my final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 August 2016.

Ray Lawley  
**ombudsman**