

complaint

Mr B complains that Towergate Underwriting Group Limited mis-sold him an insurance policy, because the amount of cover it included to rebuild his property was too low.

background

Mr B made a claim after the property he rented out was damaged by his tenants. He said that he hadn't received the full amounts he was claiming, because his insurer told him the valuation he'd provided for his property was too low. He thought that Towergate should've known that the amounts weren't right, because it had insured the building for a while. And he also told us that Towergate had told him he had blanket cover, so even if he hadn't got the valuation amount right, his insurer would still pay the whole claim.

Towergate said that Mr B had confirmed in a telephone conversation when he took out cover for 2014 that the valuation on his house was right. Towergate said it had listened to all his calls in 2014, and it hadn't told him he had blanket cover.

Our adjudicator didn't uphold this complaint. She said that the documents that Towergate sent to Mr B explained that he was responsible for insuring the property for the right amount. And those documents also explained that if he was underinsured any claim would be reduced by the percentage that he was underinsured. She didn't think Towergate was responsible for the valuation of Mr B's property, and she didn't think it did anything wrong when it sold him the policy. She couldn't find any evidence that Towergate had ever told Mr B that insurers would pay the full amounts even if he was underinsured.

Mr B said he was sure that Towergate had suggested the amount that the property would cost to rebuild. He hadn't given the insurer this amount. So he thought that Towergate was responsible for him being underinsured. Because Mr B didn't agree with our adjudicator, the case was passed to me for a final 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. I've reached the same conclusion as our adjudicator, and for the same reasons.

I've listened to the recordings of telephone calls between Mr B and Towergate that Towergate sent us. I haven't heard anything which suggests that Towergate told Mr B that it had made arrangements for blanket cover in excess of the amount that is shown on the policy documents or that it had provided the valuation for that particular property. And if he'd been told either of those things, that would not be consistent with the documents he was sent.

I've looked at the renewal documents which Towergate sent to Mr B in 2014. I can see a number of places where it explains the importance of providing the correct valuation for the property, and the consequences of not doing so. It explains separately the importance of getting the right amounts of cover for buildings, for the level of rent he might lose and for the length of time it might take to reinstate a damaged building. Towergate even provides a worked example to show how a reduction in cover would be applied if Mr B's property is undervalued. I think Towergate has gone to considerable lengths in these documents to

explain to Mr B that he, not it, is responsible for providing the right valuation for the property he's insuring.

On balance, I don't think this policy was mis-sold. And that means I don't think Mr B can hold Towergate responsible for the problems he's experienced because the valuation he has provided is too low. I know Mr B will be disappointed, but I don't uphold this complaint.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 July 2016.

Esther Absalom-Gough
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