

## **complaint**

Ms B considers that a buildings and contents insurance policy was missold to her by Schofields Limited. This is because when she made a claim she found that she was underinsured and therefore only received a proportion of her claim.

## **background**

In May 2009 Ms B applied for a buildings and contents policy to cover her property abroad. She completed the application online and the policy was renewed in subsequent years, the sum insured being increased through index linking.

In 2012 Ms B made a claim for flood damage to her property. When the claim was dealt with by the insurer, it found that the property was underinsured and reduced the pay-out proportionally ("averaging"). Ms B felt that she was not given the right advice when she applied for the policy about the buildings sum insured and held Schofields responsible for this. Schofields did not accept this and pointed out that the policy was applied for online and their website gave comprehensive guidance about valuing the rebuilding cost of the property. Ms B was unhappy and referred her complaint to this service.

Our adjudicator did not uphold Ms B's complaint as he considered that the online application made clear to the applicant the process of valuing the property for insurance. Ms B asked for the matter to be referred to an ombudsman for a final decision.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I understand that Ms B also complained about the insurer but that that complaint was resolved as she accepted that the insurer was entitled to reduce the claim.

I should also clarify that as this is a complaint about the broker, I can only consider whether the policy was missold to her in the first place (or at subsequent renewals). I cannot deal with what happened in the claim itself. This means that I cannot consider Ms B's complaint about the exchange rate used, nor about what proof the insurer needed to consider her claim for loss of rent. Both those matters were the responsibility of the insurer. Schofields merely administered the claim and made no decision concerning those matters.

Ms B's complaint about the amount the building was insured for centres on what information was given to her by the online application. She asserts that she telephoned Schofields but the evidence shows that the application was completed outside office hours and Schofields have no record of any telephone call being made to them. I have seen no evidence of any such phone call, so my decision is based on the application Ms B made online.

When policies are applied for online this service looks at the questions asked and the guidance given. The website asks for the "*Rebuild value*" and explains that "*The rebuild value is the full cost of reconstruction of the building(s) in their present form.*" It refers to a guide which gives comprehensive guidance about insuring properties in that country, how much to insure for and how to calculate the rebuild value. It does not provide a formula but instead says that:

*“To get an accurate figure a qualified surveyor should be commissioned to assess the amount that a property should be insured for. Your lawyer, vendor or builder may be able to advise you on the rebuild cost. Alternatively if you had a survey report done on the property there may be a rebuild figure listed for insurance purposes.”*

I understand that Ms B's complaint is that when the loss assessor valued the property at the time of her claim, he used a formula which she says she has been advised is erroneous and that the website provides no such formula.

I cannot say whether the property was properly valued at the time of the claim, that is a matter for the insurer. I have to assume that as she accepted this the valuation was correct. However I do note that the website did not refer Ms B to any formula but advised her essentially to get professional advice about the valuation. If she did not do so, I cannot say that Schofields were responsible for that.

I am satisfied that the policy was sold “non-advised”, that is that Ms B was not advised by Schofields whether the policy was suitable for her needs. The only communication with her at the time was a confirmation of the policy but I have seen no indication that Schofields advised purchasing that particular policy.

Overall therefore I do not think that the policy was mis sold to Ms B and that she was given the appropriate guidance at the time as to how to calculate her rebuild cost. I am sorry that her claim was not paid in full, but I cannot hold Schofields responsible for that.

### **my final decision**

My final decision is that I do not uphold the complaint. I make no award.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms B to accept or reject my decision before 24 December 2014.

Ray Lawley  
**ombudsman**