

complaint

B's complaint is about the way RCC Insurance Brokers Plc ('Christie') arranged its buildings insurance.

background

B's claim for fire damage was declined and its policy treated as void because the insurer said B had failed to disclose material information. B originally complained about the insurer but we decided that the things that hadn't been disclosed were serious enough to allow it to decline the claim and treat the policy as void.

B has now complained about Christie saying it hadn't taken enough care in setting up the policy and B hadn't understood the information that was required from it. Our adjudicator felt that Christie had behaved reasonably and B wasn't happy and asked for an ombudsman to decide its case.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The insurer declined the claim because it had been given inaccurate information about B's claims history, fire alarm testing and because it hadn't been told that one of B's directors had been a director of two companies that had gone into liquidation.

B is unhappy that our adjudicator based his view on the Director's insolvency history without considering the other areas of non-disclosure and subsequent meetings and discussions with Christie, all of which B felt showed that Christie had failed to take enough care.

But I think our adjudicator's approach was right. We had already decided that the Director's involvement with insolvent companies was enough on its own to allow the insurer to decline the claim and treat the policy as void. That means if Christie did enough to try to make sure the right information about insolvencies was given to the insurer it can't be held responsible for B's claim being declined and its policy treated as void.

And I think the question is not whether there is more Christie could have done to ensure the right information got disclosed (there is always more that could be done) but whether, on the basis of what Christie did, B could have been expected to know it had to disclose this information.

B is a sophisticated commercial customer with a large valuable property portfolio and the resources to take professional advice. One of the Directors has been involved in the sector for more than 30 years. It's clear that B had a lot of experience of property insurance and could be expected to have a reasonable grasp of the kind of information that needs to be disclosed.

Christie collected the information for the insurance quote in a phone call with one of B's Directors. There's no recording of the call and B and Christie can't agree on what was asked and what was said. But before the policy was taken out Christie sent a copy of the completed 'fact find' for B to sign, which it did.

The fact find was a short form which contained a very clear question whether any of the Directors had been a Director of a company that had gone into liquidation. It also contained standard warnings about the importance of making sure all information was correct. I think it's likely that this question was asked on the telephone call because it is such a standard issue and so significant. But, whether it was or not, I think Christie was entitled to expect that B would check the fact find before signing it and would understand that this question needed to be answered correctly. Therefore, I think it was reasonable for Christie to believe that none of the Directors had been a Director of a company that had gone into liquidation when it set up the policy for B.

my final decision

My final decision is not to uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 8 February 2016.

Jonathan Coppin
ombudsman