

The complaint

Mr G complains about Lexham Insurance Consultants Limited (LIC) and the incorrect advice they provided when he was seeking information about his policy and the cover it offered before deciding to renew.

What happened

Mr G held a motorcycle policy that was sold by LIC. This policy was due to renew on 11 September 2021.

On 28 August 2021, Mr G contacted LIC to query whether his current policy covered him for a trip to Turkey. He was told verbally, and by e-mail, that it did as it covered travel to any county within the European Union (EU). On 7 September, Mr G called LIC to confirm his renewal and again he questioned whether a trip to Turkey would be covered. The advisor direct Mr G to the terms of the policy but didn't explicitly state a trip to Turkey wouldn't be covered.

Mr G then reviewed the documents he'd been provided and called LIC again on 9 September. He explained Turkey wasn't listed as countries his policy covered and the advisor confirmed Turkey wasn't part of the EU. So, the policy wouldn't cover Mr G for this trip. To recognise the misinformation they'd provided previously, and the fact the policy wasn't due to renew until 11 September, LIC offered to cancel the renewal and refund Mr LIC the renewal premium he'd paid. But Mr G didn't think this gave him enough time to find alternative cover, so he rejected this offer and instead raised a complaint.

Mr G was unhappy that LIC had told him a trip to Turkey would be covered when this was incorrect. And he felt this had led him to renewing his policy and needing to source alternative cover for his planned trip to Turkey. So, he wanted LIC to cover the costs of this additional cover.

LIC responded upholding Mr G's complaint. They recognised their advisor had given Mr G the incorrect information as they thought Turkey was part of the EU when it wasn't. So, they apologised for this and explained feedback would be provided to the advisor in question. But they thought they'd acted fairly when offering to cancel the renewal and refund Mr G his premiums to recognise this error. So, they didn't think they needed to do anything more. Mr G remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn't uphold it. They didn't dispute LIC had advised Mr G incorrectly in August when they stated a trip to Turkey would be covered. And they recognised the upset this would've caused Mr G when it became apparent this wasn't the case. But they thought LIC's offer of cancelling the renewal and refunding the associated premium was a fair one and that it gave Mr G enough time to source alternative cover. So, they didn't think LIC needed to do anything more.

Mr G didn't agree. He maintained his opinion that he didn't have enough time to source alternative cover before the renewal took place and so, he thought LIC should cover any additional costs he incurred for the trip to Turkey. As Mr G didn't agree, the complaint has

been passed to me for a decision.

What I've decided – and why

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

Having done so, I'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr G. I recognise he made a concerted effort to ensure the policy sold by LIC covered his planned trip to Turkey before agreeing to the renewal. And I don't dispute that Mr G's initial decision to renew was based on the incorrect information he was given. So, I can understand why Mr G would be unhappy about this and believe LIC are responsible for additional costs he will need to incur to travel to Turkey as planned.

LIC have accepted their advisor told Mr G he'd be covered on the basis that Turkey was part of the EU. And they've accepted this information was wrong, as Turkey aren't. So, I don't intend to discuss this further.

Instead, I've focused on the main disputed between Mr G and LIC, which is what LIC should reasonably do to put things right.

Mr G thinks LIC should cover the costs of any additional cover he takes out to pay for his trip to Turkey. But for me to say LIC should do this, I'd need to be satisfied that LIC's error meant Mr G had no way of sourcing alternative cover before his renewal took place. And that Mr G had no way of cancelling the renewed policy or recovering the renewal premiums he paid. And in this situation, I don't think that's the case.

I can see at midday on 9 September, LIC offered Mr G the option of cancelling the renewal before it took effect and refunding him the renewal premium he paid. This offer was made to recognise the error they made. This would then allow Mr G to seek alternative cover, that included travel to Turkey, before his existing policy elapsed at 23.59 on 10 September the following day.

Mr G doesn't dispute this offer was made but doesn't think the time he was given enough time to source alternative cover and so, felt forced to continue with the renewal. But I don't agree. I think at this point, Mr G was aware the policy due to renew didn't offer him the cover he was looking for. So, when LIC gave him the opportunity to seek more suitable cover, I would've expected him to have done so if he wanted to prevent further costs when travelling to Turkey.

I think LIC providing Mr G with more than 24 hours to search for this cover was a fair amount of time, considering the availability of online comparison websites which provide several quotes from different insurers almost instantly. While I recognise it may have been inconvenient for Mr G to have searched for alternative cover, I don't think this means LIC should cover any costs Mr G will incur due to his decision not to search for this. I think the responsibility fell with Mr G to find an alternative quote if he wasn't satisfied with the level of cover his existing policy provided and it was his own decision not to do.

Because, I think LIC's apology, coupled with the option for Mr G to cancel the policy before the renewal took effect and receive a refund for any renewal premiums already paid, is a fair

one in this situation. And so, I don't think LIC need to do anything more.

I understand this isn't the outcome Mr G was hoping for. And I recognise this will leave Mr G needing to pay for additional cover if he does travel to Turkey. But as I've explained, I don't think it would be fair for me to say LIC should cover the costs of this. And as LIC are the broker of the policy, not the underwriter, they aren't able to change the level of cover his renewed policy provides.

My final decision

For the reasons outlined above, I don't uphold Mr G's complaint about Lexham Insurance Consultants Limited

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 March 2022.

Josh Haskey
Ombudsman