

The complaint

A business partnership, which I'll refer to as S, has complained about the service received from The National Farmers' Union Mutual Insurance Society Limited (NFU) when renewing its commercial property insurance policy.

What happened

S is a general partnership of three partners, Mr B, Mr B and Ms B. All our communications have been with Mr B, so I'll only refer to him and/or S from hereon. But where I refer to S, I mean all the partners who comprise it.

Mr B says NFU caused unreasonable delays in sending out the renewal documentation following his review. He also says NFU made several mistakes with various figures on the policy renewal paperwork, which led him to doubt the premium S was being asked to pay had been calculated correctly. Mr B is unhappy that when he highlighted this, he was told S needed to pay the premium or be left uninsured. Mr B says this was a pressured sales tactic and was unfair.

NFU accepted that mistakes had been made on the renewal paperwork and apologised. It initially offered £50 compensation, which was later increased to £150.21.

Our investigator thought NFU's increased compensation offer was sufficient to fairly resolve the complaint. He agreed that various mistakes had been made and accepted this would have been inconvenient for S. But he felt the apologies and compensation offer were sufficient to put things right.

S didn't accept our investigator's opinion. So, as no agreement has been reached, the complaint has been passed to me to decide.

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, while I appreciate it will come as a disappointment to S, I agree with the overall conclusions reached by our investigator. I'll explain why.

I've reviewed the timeline of events from the first issuing of renewal documents in February 2023 until NFU's second final response letter in June 2023. It's clear from this that there were various delays or issues caused by NFU (and/or its agent) during the renewal process. But I note that this isn't in dispute. NFU has accepted this and made an offer of compensation. What I need to decide, is whether NFU has done enough to fairly put things right.

Aside from the administration issues and delays, S has also complained that it was unfairly pressured to pay a knowingly incorrect premium or risk being uninsured. It says this practice is unfair and likely illegal.

I've thought carefully about S's concerns here. But from what I've seen, at the point S was asked to pay the premium, NFU had already explained to Mr B that the issue with the turnover figure recorded, under the environmental impact cover, would not have impacted the renewal premium being offered. So, as this had been checked, and NFU was satisfied the premium was correct, I don't think it was unfair for it to request the premium was paid. And in any event, I can see that because Mr B remained unhappy with being asked to pay the premium, NFU ultimately agreed for S to pay the initial renewal figure instead, until it concluded its complaint investigations, which seems a reasonable compromise in light of the circumstances.

Taking all of that into account, I don't agree that S was treated unfairly by being asked to pay the premium in April 2023, given that the premium was due. But I do fully appreciate Mr B's concern with paying the amount, given the various issues with the renewal paperwork.

In terms of the administration and customer service issues, I can see that there were combined avoidable delays of around seven weeks, caused by NFU or its agents, for S to receive the correct renewal quotes for all the cover it wanted. I can also see that when answering S's complaint, NFU initially failed to respond to all the complaint points it had raised. As a result of these issues and delays Mr B (on behalf of S) spent avoidable time communicating with NFU about this, which would have been frustrating and inconvenient for him personally as well as being inconvenient for S as a business. That said, I note that during the delays in receiving the corrected quotes, S was not without cover and so the impact of the errors is purely around the time it took for the issues to be resolved.

Having carefully considered the errors NFU made, the time it took for these to be resolved and the level of impact both S and Mr B suffered because of NFU's errors, I think the apologies, explanations and the offer of £150.21 compensation is sufficient to fairly put things right in the circumstances.

My final decision

The National Farmers' Union Mutual Insurance Society Limited has made an offer to pay £150.21 to settle this complaint, and I think this offer is fair in all the circumstances.

So, my decision is that The National Farmers' Union Mutual Insurance Society Limited must pay S £150.21 – if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 1 August 2024.

Adam Golding
Ombudsman