

## **The complaint**

Mrs W has complained about the insurer for her second home, Great Lakes Insurance SE.

In a previous complaint to this Service, where Mrs W raised a number of concerns about her policy, an Ombudsman explained that Great Lakes was not named on the policy documents Mrs W had received at renewal – they had shown Mrs W’s insurer as “E”. The Ombudsman found though that Great Lakes was the respondent insurer because, prior to Mrs W’s policy renewing, Great Lakes had legally taken over E’s responsibilities and liabilities for underwriting policies. Whilst Mrs W still disputes this finding of fact, that point of concern, along with the other complaint points Mrs W raised at that time, were answered by the Ombudsman, in a final decision, issued in September 2023. Issues dealt with in that decision won’t be considered again.

This complaint considers Mrs W’s concern that a broker “T”, acting on behalf of Great Lakes, mishandled the 2021 renewal. She’s unhappy that it was initially working from out of date details provided by her in 2013, it then only allowed her £10,000 of contents cover and refused to give her personal possessions cover. She believes the latter was on account of T misunderstanding the available cover. She said she had to accept what was offered to her because the policy had already renewed. Mrs W is also unhappy that she was not told that T was acting on behalf of Great Lakes.

Mrs W has raised other concerns about T, which relate to T’s action whilst acting for her, rather than as an agent of Great Lakes. Those concerns have been considered by me in a separate complaint against T.

## **What happened**

Mrs W arranged cover via T, at least since 2013. In 2021 the policy was due to renew and documents were sent to Mrs W. At the time cover was only in place for buildings. Mrs W called T to discuss the cover with it, and it sent her a proposal form to complete – noting the last time one had been completed was 2013. Upon reviewing the proposal form Mrs W realised there was no cover for contents – she thought there had been as certain policy documents suggested contents cover was available.

The policy had renewed with just buildings cover in place. Mrs W completed the proposal form, returning it to T, asking (amongst other things) for cover for £10,000 of contents and £5,000 of personal possessions. T said personal possessions cover could not be provided because this was Mrs W’s second home – she should look for cover for personal possessions on the insurance for her main property. Cover for £10,000 of contents was added as requested.

In 2022 there was a devastating fire at the property. Great Lakes settled the contents claim up to the policy limit. But Mrs W found that was not enough to replace all her contents items, and she was unhappy that there had been no cover for personal possessions either – which a loss adjuster acting for Great Lakes indicated to her she should have had. Mrs W felt T had mishandled her renewal. She felt it had refused to allow her to take more than £10,000

of cover for contents and negligently failed to allow her any cover for personal possessions. Both of which had left her at a loss following the fire.

Mrs W became aware that T, when arranging the renewal, had been acting for the insurer, Great Lakes. She felt this was unfair and that she should have been told; she thought T had been acting for her, that it was meant to have been looking after her needs.

When our Investigator considered Mrs W's complaint in these respects, he didn't think Great Lakes – ultimately responsible in these respects for T's actions – had done anything wrong that had harmed Mrs W. He noted Mrs W had been asked a clear question about the contents cover sum, that she had proposed the sum of £10,000 and she had agreed to it. He noted that Great Lakes' criteria for offering policies precluded it from providing personal possessions cover for holiday homes. He felt up to date details from Mrs W should ideally have been sought before renewal, but that this had not materially affected her position. He also wasn't persuaded that the renewal had been generally mishandled. He noted it had been acting on a non-advised basis, with Mrs W having asked for certain cover and having received the cover asked for. Our Investigator was satisfied that the operating agreement in place between T and Great Lakes was not something that would ordinarily be divulged to or shared, or which should be shared, with policyholders.

Mrs W was unhappy with our Investigator's findings. She said she had asked T for more contents cover, but T had refused. She said it had made a mistake in respect of personal possessions cover – it had wrongly interpreted the policy, even the loss adjuster acting for Great Lakes had said so. She said she felt major errors had been made which had cost her dearly, but which T had tried to cover over.

The complaint was referred for an Ombudsman's 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.

#### Scope of this complaint

I can assure Mrs W that I am aware of the wider claim situation; that a devastating loss occurred which led to her claims on the policy and subsequent complaints to this Service. However, I can only consider here the specific complaint before me – other complaints raised by Mrs W have been considered by my fellow Ombudsman already, or by me in the separate complaint against T.

#### Renewal

I think T, prior to renewal, should ideally have made sure it had up to date details from Mrs W. I see that it says its normal process is to have a new proposal form completed and signed at least every few years. It clearly had not done that here. I appreciate that it was frustrating for Mrs W to realise that she didn't have the cover she thought she did, and that changes then had to be made post-renewal, but I'm not persuaded that her position was materially affected as a result. I can see the changes she asked for, in the main, were agreed and put in place swiftly. For the cover that could not be agreed – personal possessions – Mrs W was informed straightaway. I don't think the renewal was so badly handed that Mrs W's position regarding cover was prejudiced and I don't think the policy was mis-sold to her.

In saying that I realise Mrs W thought T was offering her advice about cover, and recommending a product to her. I'm not persuaded that was the case. I think that, for some products it handles, T might offer an advised sale service – but the correspondence exchanged between Mrs W and T did not suggest that was the case here. Rather T was asking Mrs W to tell it what cover she wanted and asking her to tell it what she wanted it to do. I haven't seen that it recommended the cover to her, or suggested it was doing so.

I'm satisfied that T, acting on behalf of Great Lakes, did not prejudice Mrs W's position by mishandling the renewal.

#### Contents cover

In respect of contents, Mrs W noted there was no cover for contents. She's explained that she believed there was because of policy detail which suggested cover was available. I've seen the policy documents and, like many policies; some are generic – saying what cover might be available if selected, and some are specific to the policyholder – setting out the cover selected and in place. When Mrs W realised there was no contents cover, she asked T to add it on to her policy.

The proposal form T sent to Mrs W, containing out of date details, said there was no cover for contents. When Mrs W sent it back to T, she had completed it to show she did want contents cover. The form asked; "*What is the full cost of replacing all the contents as new?*". Mrs W gave the figure of £10,000. In email correspondence between Mrs W and T, this figure was confirmed with T stating it would "Add contents cover at £10,000". Mrs W did not question the figure, or say she wanted more, or suggest more was needed and she was only asking for £10,000 because of advice T had given. Cover for £10,000 of contents was put in place and provided by Great Lakes.

I'm satisfied that the addition of contents cover was handled reasonably by T. I'm satisfied it responded to Mrs W's request for contents cover at a sum of £10,000 by putting that in place. I've seen nothing that makes me think it misled her about the sums potentially available for contents cover or fettered her ability to have a higher sum had she wanted to.

I'm satisfied that T, acting on behalf of Great Lakes, did not fail Mrs W causing her to be underinsured for contents when the fire occurred.

#### Personal possessions

When Mrs W returned the proposal form to T, she asked for personal possessions (PP) cover to be provided. In email correspondence between T and Mrs W, T told Mrs W that PP cover could not be provided. Mrs W went ahead with the cover without questioning that or raising any objection. T had said to Mrs W that she should seek cover for PP under her main home insurance policy. I'm satisfied that Mrs W did not have PP on the cover for her holiday home at the time of the fire and that she knew her policy, arranged by T, would not cover her in that respect in the circumstances an event covered by the policy, such as a fire, occurred.

I understand that Mrs W thinks the policy should have given her cover for PP. But the policy is clear that this cover was not selected. I know Mrs W thinks that maybe the advice from T regarding PP was wrong – perhaps that it misunderstood that PP is often part and parcel of contents cover. I understand that Mrs W may feel that way, at least in part, having spoken to the loss adjuster during the claim. However, PP cover is something a policyholder usually has to choose to cover, with the insurer agreeing to include it.

Here, as set out above, PP cover was requested by Mrs W. However Great Lakes, via its agent T, did not provide this cover. This was because Great Lakes criteria for offering cover

sets out that it will not provide PP cover for holiday homes. Great Lakes may well provide PP cover in other circumstances, which is maybe what caused the loss adjuster to make any comment he did regarding this type of cover. But Great Lakes is clear in its criteria – which it applies to every policyholder or prospective policyholder presenting the same conditions which affect its decision on the risk of providing cover – that it will not offer cover for PP where the policy is sought in respect of a holiday home. So when T said it could not offer this cover to Mrs W, that was not on account of any misunderstanding of it about the policy wording. Rather it was said, and said correctly, as a result of T following the criteria set by Great Lakes for offering cover.

I'm satisfied that T, acting on behalf of Great Lakes, did not fail Mrs W causing her to not have cover for personal possessions when she otherwise should have had it on the policy, when the fire occurred.

#### T acting on behalf of Great Lakes

I appreciate that Mrs W did not understand that T was acting on behalf of Great Lakes. But this isn't something that would necessarily be disclosed to a policyholder. In any event, I haven't seen that Ms W's position was prejudiced as a result. As I've said above, Mrs W asked for certain cover, she was either granted that cover or told it couldn't be provided. I'm satisfied that is largely the same situation that Mrs W would have been in had T been acting for her instead of as Great Lakes' agent. And, in saying that, I bear in mind, that Mrs W did not indicate to T, at any time in the correspondence I have seen, that she felt the cover was unsuitable for her. Whether acting for her, or on behalf of Great Lakes as it actually was, T couldn't have known the cover was too limited or that Mrs W felt PP could/should have been provided if she did not tell it that.

I know Mrs W would like to see details of the written agreements in place between the relevant insurance businesses. However, as explained by our Investigator, these documents are commercially sensitive so cannot be shared. In any event, the agreement in place has not materially affected the position Mrs W has found herself in.

#### **My final decision**

I don't uphold this complaint. I don't make any award against Great Lakes Insurance SE.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 25 December 2024.

Fiona Robinson  
**Ombudsman**