

The complaint

Mrs B complains Marsh Ltd (“Marsh”) acting as her insurance broker, failed to take appropriate care when arranging her home insurance, resulting in the policy being voided and her claim not being paid.

What happened

Mrs B took out buildings insurance through Marsh. At the time she was asked what proportion of her roof was flat. Mrs B wasn’t sure so Marsh asked her some further questions; Mrs B answered the questions as best she could, and then made a guess – she said 50%. Mrs B says she made Marsh aware that her answer was a guess.

Mrs B says Marsh should have explained the significance of the question – and what the likely consequences could be if she answered incorrectly.

Mrs B made a claim on her policy in January 2024 following storm damage to her home. The claim was declined and the policy was voided. The insurer said this was because Mrs B didn’t answer the question regarding her flat roof correctly.

Mrs B wasn’t happy. She didn’t appreciate the importance of the flat roof percentage and expected Marsh, as the broker, to have explained this to her. So she complained.

Marsh said following the claim Mrs B explained 50% was just a rough guess on the percentage of flat roof she had. Marsh said it challenged the insurer’s repudiation a number of times to assist Mrs B. Marsh said it wasn’t aware there was a limit of flat roof percentage on the policy. And in selling Mrs B the policy, it wasn’t acting under any underwriting or claims delegation. Marsh said its documentation highlights the importance of providing accurate information and what might happen if it isn’t.

Mrs B referred her complaint to this service. One of our investigators looked into things for her. He said based on what he had seen he thought Marsh had made it clear Mrs B needed to give correct and accurate information when taking out and renewing the policy. He said since the policy was sold on a non-advised basis it meant Marsh were required to provide the policy documents in a clear and easy to understand format so Mrs B could check it was suitable. But Marsh wasn’t in a position to provide advice about the correct answers. So he didn’t uphold the complaint.

Mrs B asked for an ombudsman’s decision. She said she told Marsh how she arrived at the 50% estimate and thought it was unreasonable not to take it into account when sourcing a suitable policy. Mrs B thought using a broker would ensure timely and effective renewals and wasn’t happy Marsh wasn’t aware of the insurer’s specific underwriting criteria. Because Mrs B didn’t agree the complaint has come 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 I've decided not to uphold Mrs B's complaint. I understand she will be disappointed so I will explain why.

It is important for me to clarify that Marsh only sold the policy, it's not the insurer. It is the insurer who is responsible for deciding what cover is provided and what restrictions apply in relation to flat roofs. So, in this case I'm limited to looking at what Marsh was responsible for.

From the information provided to me it is my understanding the policy was sold to Mrs B on a non-advised basis. So, despite much of the process being over the telephone, this didn't stop it continuing to be a non-advised sale. This means Marsh had to provide Mrs B with enough information for her to decide for herself whether or not the policy was suitable.

I have reviewed the documents sent to Mrs B when she took out her policy and at renewal.

The statement of insurance says, *"it is essential that you read and check the following information as it represents a record of the statements you have made and information you have given...you must make sure the statements set out in this statement of insurance are correct."*

The cover letter says, *"Please read the documents carefully to ensure that the cover provided meets your requirements. Please ensure that you read the full terms and conditions of the cover offered with the insurer as detailed in the policy wording, schedule, and or summary documents carefully. If you do not understand how the cover will work for you, please contact us so that we can explain it to you."*

Marsh sent Mrs B the policy documents which she says she printed. Mrs B said she read the shorter attachments and skimmed the policy documents. If she had any questions about the policy, she could have contacted Marsh and if unhappy, was able to cancel the policy within the cooling off period. The onus was still very clearly and very much on Mrs B to check the policy terms and ensure it was right for her.

I've carefully considered the comments Mrs B makes about Marsh being aware of the underwriting criteria and providing her with a suitable policy. But the estimate of 50% was incorrect so even if Marsh provided a policy that covered that level of flat roof it would still have been unsuitable. And I'm satisfied Mrs B was told she had a duty of disclosure – to ensure the information she provided was complete and accurate. Further Marsh weren't aware of the restriction on the flat roof because the sale of the policy was non-advised.

Overall, while I understand Mrs B's frustration, I can't justifiably conclude that Marsh has acted in any way unfairly or unreasonably towards her when it sold her the policy. Marsh provided Mrs B with clear enough information for her to make an informed decision on whether the policy was suitable for her needs. And so I don't think there are any reasonable grounds upon which I could uphold this complaint. So I'm not telling Marsh to take any action in respect of the complaint.

I want to reassure Mrs B I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I've explained above, I do not uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 20 December 2024.

Kiran Clair
Ombudsman