

## **The complaint**

P complains Xbridge Limited mis-sold a Business Insurance policy.

## **What happened**

The background to the complaint is known to all parties so I won't repeat it here. Instead, I'll summarise my understanding and focus on giving the reasons for my decision.

Mr L owns a landscaping business I'll refer to as "P". P took out a business insurance policy online through Xbridge in 2019. The business trade was selected as being landscape gardening excluding tree felling. The policy automatically renewed thereafter until 2022 when Mrs L – on behalf of P – contacted Xbridge by phone to request confirmation the policy had renewed, and to increase public liability cover. A new policy was set up with a different insurer. And this policy was said to be specifically required for work P had with a local authority and school. P also says it informed Xbridge of this in 2022.

P raised a claim to the insurer in relation to works undertaken at the school. The insurer declined it as, broadly, the works undertaken by P which gave rise to the claim were outside the trade/profession disclosed when the policy was taken out. P complained Xbridge mis-sold the policy, as the landscape gardener definition was too narrow, and the works P did was much wider than that. But Xbridge's website only provided two options close to P's trade and profession. P wanted Xbridge to refund all premiums, apologise, pay compensation, and cover the claim costs.

Xbridge concluded the policy wasn't mis-sold. They say the policy was purchased online initially without any interaction for a business said to be trading as landscape gardeners. The sales process on their website prompts a customer to make contact if a close match with their trade and profession cannot be found. And in 2022, a full risk check was completed by phone whereby P confirmed the trade selected still covered P's business activities. They say the onus was on P to provide a fair presentation of risk. P didn't agree and asked our Service for an impartial review.

The investigator didn't think the policy was mis-sold. She wasn't persuaded Xbridge made any errors and used the information presented by P to set up policies. P didn't agree and maintained the landscape gardener definition was too narrow, and Xbridge took payment for policies they knew weren't fit for purpose. As P didn't agree, the case was 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.

Many points have been made in relation to this matter – I haven't addressed each one individually. Instead, I've focused on what I consider to be the pertinent points. That isn't meant as a discourtesy, it simply reflects the informal nature of our Service.

I've reviewed the sales journey P completed in 2019. The screenshots provided show the question *What is your specific trade/profession?* was asked. P answered with '*Landscape gardening excluding treefelling*'. This answer is also within the policy schedules on file. The screenshot on the website shows, when answering this question, that if a customer is unable to find a close match to their trade/profession, to call Xbridge. I've seen no evidence currently to show a call was made by P to discuss this. The website also enables a customer to add a secondary trade/profession on top of the main one as part of the business.

P says there are only two options for landscaper. And P also says landscapers aren't landscape gardeners. As such, it's my opinion the sales journey was clear enough in so far as it should have prompted P to contact Xbridge to ensure the appropriate trade and profession was selected. I say this given P's comments regarding the difference between its own trade and profession, and that of a landscape gardener. The onus was on P to provide a fair presentation of risk. And I'm satisfied it was reasonable for Xbridge to use the information P gave to provide insurance policies.

I appreciate it only came to light once P raised a claim that the works being carried out in 2022 fell outside the landscape gardening definition. But it's clear in my view that P understood the difference between its trade and profession, and importantly, this went beyond a landscape gardener – which would have needed further consideration to the level of cover needed, and the risk and price of the policy, amongst other things. As mentioned above, the onus here was on P to ensure the correct level of cover was in place, and the sales journey – with P's knowledge of its trade and profession – ought to have prompted P to contact Xbridge to ensure the level of cover was suitable for P's business activities.

I've also reviewed the 2022 call. Mrs L – on behalf of P – asks the agent to confirm the policy renewed and to add £10million public liability cover for some local authority work. The agent says the insurer of the previous policy might not cover this, so a full risk check was completed. During this, the agent asks about P's trade and profession – and whether landscape gardening excluding tree felling is still correct for P's business activities. Mrs L confirms that's accurate. I found no mention during this call of the specific work P would be undertaking that P says was the reason for changing cover. So, I cannot agree the agent made an error here or failed to correctly categorise P's trade and profession. I say this because the onus was on P to provide a fair presentation of risk.

To summarise here, I'm not satisfied Xbridge made an error during the sales process when the policy was taken out, or when cover changed providers. The onus was for P to ensure the policy was suitable for P's business activities it would be undertaking. So, it follows, I don't require Xbridge to take any action because I'm not persuaded the policy was mis-sold.

I appreciate this outcome won't be the one P was hoping for. But this decision ends our Service's involvement in attempting to informally resolve this dispute between P and Xbridge.

### **My final decision**

For the reasons I've given above, my final decision is I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 8 August 2023.

Liam Hickey  
**Ombudsman**