

The complaint

Ms H complains that V. Woodcock And Company (Insurance) Limited (“Woodcock”) sold her inappropriate home insurance for her requirements.

What happened

Ms H used a broker – Woodcock – to arrange home insurance for her property. She first arranged a policy with it in 1996. At this time she provided Woodcock with a home buyer survey to assist in providing details of the property. The survey included details of some wall plates that it commented suggested there had been movement in the past.

Woodcock provided this to the insurer and the policy was arranged. Ms H arranged renewed cover through Woodcock each year from then until 2020.

At this time Ms H had a conversation with one of her neighbours about obtaining insurance for their properties which were of similar construction. She said she was surprised to find that her neighbour didn’t have to buy ‘specialist’ insurance and bought theirs from a price comparison website.

After this Ms H made a complaint to Woodcock. She said the broker had advised her that she’d need specialist insurance due to the wall ties and that she would be unable to purchase this through price comparison sites. She said this meant she had bought specialist insurance through Woodcock for 23 years when she could have got standard insurance cheaper elsewhere. She said she used a broker in order to get expert advice on the insurance she needed and Woodcock had abused her trust. Woodcock didn’t respond to her complaint, so she asked this service to investigate.

Our investigator considered the issues but didn’t recommend the complaint be upheld. He said he thought Woodcock had acted fairly by passing the home buyers’ survey to the underwriter at inception. And didn’t think he should have done anything more.

Ms H didn’t agree. She said Woodcock had told her she would be unable to purchase insurance elsewhere, which wasn’t true. And if she’d known this she would have paid less for insurance over the years. She also said dealing with the matter had caused her a great amount of stress which had impacted her health and it was made harder due to an existing disability. She also said Woodcock had failed to respond to her complaint which breached FCA guidelines and this hadn’t been addressed by our investigator. She asked for the complaint to be reviewed by an ombudsman.

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.

When an insurance policy is sold by a broker, they have an obligation under rules set out by the Financial Conduct Authority (FCA) to provide clear, fair and not misleading information about the policy. They also need to gather relevant information from their customer in order

to pass to potential underwriters, so they have all the information they need to provide a suitable policy. I've considered whether Woodcock met these obligations here.

I can see in 1996 Ms H provided a copy of her home buyers' survey as part of her request for insurance. This included the following comment:

"Metal wall plates indicate that there has been some movement in the past but that it has been arrested by the ties."

Woodcock passed this on to the underwriter. With an accompanying letter that stated:

'...I attach hereto the Home Buyers' Survey and Valuation in respect of the property on which we have been asked to arrange insurance. You will see under section C4 of page three that the surveyor has mentioned metal wall plates but that it is, in his opinion that any movement is in the past and has been arrested by the ties.'

[Ms H] has also spoken to the surveyor subsequent to the report and he advised that, in his opinion these wall plates have been in the property for some forty to fifty years.'

From this I can see that Woodcock passed on the information provided by Ms H to the underwriter, pointing out any areas that may be relevant to its decision on cover provided. And this is what I'd expect it to do. It would then be for the underwriter to decide whether the information was relevant to the policy it offers.

If the information contained in the survey was inaccurate or misleading, then it wouldn't be fair to hold Woodcock responsible for this. While it is an expert in insurance, it isn't its role to make decisions or provide opinions on the structure of a building. As the information in the survey was from a building expert, then they would have greater expertise in this area. So it's reasonable for Woodcock to rely on it, rather than to question it or state its own opinion on the structure. And its role is to ask for that information from Ms H and pass it on to the underwriter. As this is what it did, I'm satisfied it followed a fair process and met its obligations as a broker.

Ms H has said that in 2014 she provided another survey from a potential buyer at the time. And in this, it concluded the wall ties were there purely to prevent deflection and made no mention of historic movement of the property. Woodcock has said it hadn't received a copy of this report, and while Ms H has provided an email to show she sent it to her solicitor, I've not seen evidence that it was sent to Woodcock.

However, even if I had, I'd only expect Woodcock to take the same action as it did with the home buyer survey – to pass it onto the underwriter for consideration. And it would be for the underwriter to decide if this impacted the insurance cover it provided. I wouldn't expect Woodcock to examine the report or draw conclusions about the property's structure.

Further, Ms H has said throughout her complaint that she is unhappy that she's had to buy specialist insurance for all these years when she could have had a standard policy. I've looked at the policies she has taken out through Woodcock and I can't see that these are specialist. Nor do they appear to have any additional endorsements or terms due to the suspected previous movement referenced in the first report. In fact all references to signs of subsidence are marked as 'no' in the statements of fact. So I've seen nothing to suggest that she was paying for a different product than she would have done if Woodcock hadn't provided the home buyer report to the insurer in 2016. Should she have concerns about how the insurance was priced, then she'd need to raise that with the insurer directly as it is them that decides the price, based on the risk presented. But from what I've seen I haven't found that Woodcock has got anything wrong.

Ms H has also said that Woodcock told her she would be unable to use price comparison sites because of her requirements. And this meant she was under the impression that she had to use Woodcock to obtain insurance rather than shopping around. Woodcock has denied giving this advice.

From looking at the correspondence provided, I've not seen anything to suggest Woodcock did advise Ms H that she couldn't look elsewhere for insurance. The letters it sent with quotes at each renewal ask if she would like to go ahead and make clear that the prices offered are the best Woodcock could find from its panel. And each time Ms H has agreed to the quote. So I'm not persuaded that Woodcock told her that she'd be unable to obtain insurance from other brokers or online.

Finally, Ms H has said that Woodcock didn't respond to her complaint within the time frames set by the FCA. And I agree this was the case. However this service can only consider complaints about activities that are regulated by the FCA. And while the FCA does provide a deadline for firms to respond to complaints within, that is only to ensure this service can review complaints where the business hasn't provided a timely answer. But complaint handling itself isn't an activity that is regulated by the FCA, so this service isn't able to look into complaints about this activity. So this is why this service hasn't addressed her points in relation to this.

I want to add that I appreciate this issue has caused Ms H a lot of distress. She's explained that she has a disability and that her health has been impacted by the stress the issue has caused her. I was really sorry to hear about this. I can also see that she has gone to great lengths to get information from her neighbours, and the previous owners of her home, in order to support her case. While I understand her strength of feeling about the matter and sympathise with her position, in this decision I am only looking at the actions of Woodcock. And deciding if it acted fairly and reasonably and met its obligations as a broker. And from everything I've seen I think it has. But by not upholding her complaint, I in no way wish to diminish the impact the matter has had on Ms H.

My final decision

For the reasons I've given I don't uphold Ms H's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 5 October 2023.

Sophie Goodyear
Ombudsman