

The complaint

B, a company, complains about the sale of a Pre School policy it purchased from its broker, Morton Michel Limited in 2018 then renewed each year beyond that.

B is unhappy with the extent of the cover sold. It says Morton Michel sold it cover that didn't engage when it made claims against the policy.

What happened

B took out a Pre School policy with Morton Michel Limited in 2018 and renewed it annually.

B is unhappy about the outcome of three claims it made against the policy it purchased- one was in relation to a stolen mobile phone, and another concerned a flood to a bathroom which were declined by the insurer. B feels that Morton Michel is responsible for this.

Our investigator considered B's complaint. He said B took out the policy online in 2018 and in doing so opted not to select buildings insurance cover. As this was B's decision, he felt that Morton Michel couldn't be responsible for the fact that B wasn't subsequently covered for the flood claim it made. In relation to the mobile phone claim and another claim that B made on the policy, the investigator said B had misunderstood Morton Michel's role in relation to this. As insurers of the policy, Morton Michel referred the claims to B's insurer to consider, which the investigator said was reasonable in the circumstances.

B doesn't agree so the matter 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 I won't be upholding B's complaint for broadly the same reasons set out by the investigator. I've explained why below.

B is unhappy that Morton Michel didn't sell it buildings insurance cover when it took out the Pre School policy in 2018. As such it wasn't covered for losses arising from a flooded bathroom.

From what I've seen the policy was sold online in 2018 then renewed each year. It was sold on a non-advised basis which meant that Morton Michel needed to give B enough information to allow it to decide whether to take out the insurance and any associated add ons, but it didn't need to ensure the policy was suitable for its needs and circumstances. That was a decision B needed to make for itself.

I've seen copies of the screens B selected when it took out cover. B was presented with the option to take out buildings cover. When asked "*Do you require buildings Cover*", it selected "*No*". I think the question was clear enough and didn't require any further elaboration. And Morton Michel wasn't involved in that choice, nor did it provide advice that informed that decision. As such I'm satisfied that Morton Michel did nothing wrong.

I've also considered what B has said about the mobile phone claim and another claim B has made on the Pre School policy which have been declined by the underwriter. I understand that B feels Morton Michel are responsible for this.

As the investigator explained, Morton Michel sold B the cover but they're not responsible for considering the claims on behalf of the insurer- that's a decision for the insurer alone. Nor are Morton Michel responsible for putting the claims to the insurer or settling them. Their responsibility was to sell B a policy by providing it with enough information to allow it to decide whether to take it out.

I don't know what basis the claims were turned down on so I can't determine whether B would have done something differently and sought alternative policies had the information about the terms that prevented them from making successful claims been made clear to them. Based on what B has said, I don't think their complaint is that the policy was mis-sold- rather it's the fact that Morton Michel didn't accept their claims. Given Morton Michel weren't responsible for this, I can't say they've done anything wrong. What they did instead was refer B to the insurer, which is what I'd expect to happen in these circumstances.

If B remains unhappy with the outcome of the claims, it can pursue a separate complaint with the insurer of the policy it took out.

My final decision

For the reasons set out above, I don't uphold B's complaint against Morton Michel Limited

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 20 September 2023.

Lale Hussein-Venn
Ombudsman