

The complaint

Mr V complains as a director of K, a limited company, that it was mis-sold a business protection insurance policy by L J J Associates Ltd ("LJJ").

Where I refer to LJJ this includes its agents and appointed representatives acting on its behalf.

What happened

When the manufacturer's warranty on a printing press expired, K took out a policy that would provide cover for any unforeseen damage to the machine.

K renewed the policy a number of times. When it came to renew the policy in 2019, K bought a new policy through LJJ. This policy was renewed in 2020.

After a problem with the machine K tried to claim on the policy but the claim was declined by the insurer because the policy provided cover for an 'Image Control Unit'. The insurer said to make a claim for the damage K would have needed cover for an 'Inpress Control Unit', which it didn't have.

K complained that the policy had been mis-sold. Mr V says he has always ensured the policy provided cover for an Inpress Control Unit, and when he had specifically checked this the representative of LJJ told him they sometimes used different terminology but the cover was the same. He says he relied on this assurance when taking out the policy and would not have taken it if he'd known it didn't provide the right type of cover.

LJJ didn't think it had done anything wrong. It said:

- This policy was in place for two years – from 2019 to 2020, and from 2020 to 2021. It provided policy documents each year and specifically asked K to check the details were correct.
- Before the policy was sold, K was given written quotations which clearly said cover was for an Image Control Unit.
- K signed the documents, bought the policy on this basis and renewed it on the same basis.

When Mr V referred the complaint to this service our investigator didn't at first think it should be upheld. But after considering further information provided by Mr V he concluded that the policy had been mis-sold. He said K had been left without cover as a result and asked LJJ to compensate it by paying the value of the claim.

LJJ disagreed and requested an ombudsman's decision. It said:

- K had an Image Control Unit insured with the previous policy – not an Inpress Control Unit, so it's not correct for Mr V to say he had always ensured cover was for an Inpress Control Unit and he wouldn't have taken the policy if it didn't include this.
- The investigator had changed his view after receiving information from the former employee who had sold the policy to K but that person has said that information wasn't correct and should not be relied on.

- Mr V's version of events relied heavily on an email apparently sent by the former employee in April 2019 but he had only produced that email some months after the event and it questions how reliable that is.
- Mr V says when the policy was renewed in 2020 he again asked about the policy wording and was told that was the way they worded things but this is not correct. It would not confuse an Impress Control Unit with an Image Control Unit – they are two different things.
- There is a lot of disagreement about what happened but the one thing that is certain is that Mr V gave his written instruction to proceed with cover for an Image Control Unit.

I issued a provisional decision saying I did not intend to uphold the complaint. I set out my reasons as follows:

When K tried to claim on the policy, the claim was rejected by the insurer. Mr V says that's because the right cover wasn't in place. If there was a mis-sale and K has lost out as a result of not having the cover it should have had, I would need to consider whether LJJ needs to do anything to put things right for K. I've considered the evidence carefully but I don't consider there was a mis-sale.

LJJ's responsibility was to ensure K was given appropriate information about the policy so that it could make an informed decision about whether to buy it. The level of appropriate information provided takes into account the complexity of the policy and the type of customer. The information provided to K needed to be clear, fair and not misleading.

The policy documents clearly refer to cover being for an Image Control Unit. Mr V was sent the documents showing this and asked to confirm they were correct. On the face of it, this was a non-advised sale where the documents were clear. But Mr V relies on an email sent in April 2019; he says he took out the policy on the basis of this email.

To uphold the complaint, I would need to accept the contents of the email sent in April 2019, and conclude it was reasonable for Mr V to rely on that rather than the policy documents sent to him.

The email in question says the representative has got a cheaper quote and describes the cover as being for a press with "5 Colour + Coater & Impress Control Unit". It does seem to refer to an Impress Control Unit, though the spelling is incorrect and this contradicts with the policy documents, which clearly refer to an Image Control Unit.

Mr V was asked to check the documents carefully to confirm they were correct. He was a director of the company with many years' experience. So it's reasonable to expect him to understand the difference between the different kinds of units and to check whether the policy does provide cover for the type of unit K had.

I don't find the evidence from Mr V that he was persuaded to buy the policy on the basis of this email, rather than the policy documents, very persuasive. He says he was checking the cover was correct – but the email he relies on was sent before the policy documents were sent. So if he then received policy documents saying something different, I'd expect him to check that before signing the documents and proceeding to take out the policy.

I've also taken account that:

- *he's adamant he always insisted on having cover for an Impress Control Unit on his previous policy but it wasn't in fact on the policy;*
- *there is evidence from LJJ that it wouldn't have confused an Impress Control Unit and an Image Control Unit;*

- *I don't consider the evidence from the representative who sold the policy can be relied on.*

Mr V has referred not just to the email that person sent in April 2019, but to an email he sent more recently in support of the complaint. But the individual has since made it clear he does not wish to support the complaint. He says the recent email was drafted for him and he signed it at a time when he was unwell. He also says:

- *he can't confirm the email from April 2019 was sent by him;*
- *Inpress Control Unit is spelt incorrectly in that email as Impress Control; and*
- *the words used in that email are not words he would use.*

LJJ also points out that while it has always been clear about terminology, Mr V has often mis-spelt Inpress Control Unit as Impress Control Unit.

The evidence in support of K's complaint is inconsistent and taking all the above points into account I don't find it persuasive. For these reasons I'm not minded to uphold the complaint.

Replies to the provisional decision

LJJ has no further comments to add in reply to the provisional decision.

Mr V does not accept the provisional decision and has provided further comments on behalf of K, which include:

- there are inconsistencies in details set out in the provisional decision and it appears LJJ may not have been aware of the exchanges he had with its representative;
- the representative gave several quotes for the insurance and referred to the inpress control unit in these quotes;
- an employee of the representative consistently re-assured him there was nothing more than the use of different terminology and that the inpress was covered;
- he has never mis-spelt the term and in fact he was constantly pointing out the incorrect spelling, as it was that spelling mistake that was given as the initial reason for the claim being rejected;
- he never received any policy wording to check so could not have known what was or wasn't covered;
- he never had any dialogue with anyone from LJJ directly until he raised the complaint.

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.

I have considered Mr V's further comments carefully but they don't lead me to change my decision.

The policy documents clearly say what was covered by the insurance. Ultimately, the claim was declined because of the discrepancy between the item covered by the policy and the item K actually had and claimed for. If the policy document set out the wrong item, I'd expect Mr V to challenge this.

Mr V says he never received the policy documents, so couldn't have checked them. But LJJ points out that he signed the documents on behalf of K confirming he wished to proceed. And in correspondence about the claim he said that he had questioned it at the time. So his account of this is inconsistent.

Mr V also says he never mis-spelt the name and was the one trying to correct it but in email correspondence in August 2021 he used the incorrect spelling. And when he forwarded the email which he said was from the representative (from April 2019) he again miss-spelt the same word.

These may appear minor points but they are further examples of the inconsistencies in Mr Vs account. I explained in my provisional decision why I did not find the evidence in support of his complaint persuasive and that remains the case. To uphold the complaint, I would need to accept the contents of the email sent in April 2019, and decide Mr V reasonably relied on that rather than the policy documents. I've explained why that evidence is not persuasive and taking that into account, together with the various inconsistencies in the evidence in support of K's complaint, I'm not persuaded the complaint should be upheld.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask K to accept or reject my decision before 29 September 2023.

Peter Whiteley
Ombudsman