



The complaint

E, a limited company, has complained that Society of Lloyd's ('SOL') mis-sold an accident insurance policy and it wants a refund of premiums.

What happened

E took out personal accident policies for two of its staff members which would pay out in the event of accident or sickness.

In 2022, one of its members made a claim. E complained and referred its complaint to the Financial Ombudsman Service as it said the policies were mis-sold.

Our investigator looked into the complaint but didn't think the policies had been mis-sold as the sale was not advised and the information provided to E was clear.

E disagreed and in summary said it didn't understand what it had bought. It said it had made it clear to the adviser that it wanted business interruption insurance.

And so the case 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 don't think this complaint should be upheld. I'll explain why.

The relevant rules and industry guidelines say a seller should provide information which is clear fair and not misleading when selling a policy as a non-advised sale.

In 2020, SOL provided documentation to E including details of the policies and when they would pay out. The email includes demands and needs and an insurance product information document which confirmed the type of policy that had been bought and the benefits that could be paid out.

Having considered the information provided, I think there was enough information which was clear, fair and not misleading, including the benefits schedule and the terms and conditions which explained when the policy would pay out.

E says the salaries were small and so the insurance wouldn't have been worth it. E said it needed insurance in the event the staff were unable to carry out consultancy work which would deprive E of its income. E says it thought the policy was a business interruption policy but I haven't seen any evidence to suggest that this is what was discussed. The policy wouldn't only cover income for salaries, it would also pay a specified benefit if there was an eligible accident. So I don't think the policy was mis-sold.

When E complained, SOL refunded some premiums. As I don't think the policy was mis-sold, I won't be asking SOL to do anything further. SOL was on risk for the time E had the

policies for any eligible claim and so I don't think any further refund is fair or reasonable in the circumstances.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 31 October 2023.

Shamaila Hussain
Ombudsman