

The complaint

N, a limited company, complains that Denis O Brown & Associates Ltd (DOB) mis-sold its commercial farm combined insurance policy.

N is being represented in this complaint by one of its director's.

What happened

N was insured for its commercial farm combined insurance policy via DOB acting as a broker between 2016 and 2020. In 2020 N moved to another insurance provider. In 2023 DOB offered to provide a new quotation for that policy year and met with N.

During the meeting, N raised concerns about the previous cover it held via DOB and the meeting was ended part way through.

N complained to DOB about their agent's conduct during the meeting. N also complained that its livestock cover had been removed without its knowledge or permission in 2017 and that it wasn't covered in the following policies it had via DOB. So, N complained to DOB that it had mis-sold its policies from 2017 to 2020.

DOB apologised for their agent's handling of the meeting with N in 2023 as they accept a mistake was made by saying N had made multiple previous claims and about the previous policy cover. However, DOB didn't agree the previous policies were mis-sold as they said, and provided information they said supported, the livestock cover being removed in 2017 was at N's request. DOB also said that N requested a quote for livestock cover in 2019, and documents sent to N showed it didn't have this cover listed on its schedule from 2017 to 2020, so N should have been aware.

N remained unhappy and approached this service.

One of our investigators looked into things but he didn't uphold the complaint. He said DOB's apology for the incorrect information in 2023 was fair, and he was persuaded that on balance, N had asked for the livestock cover to be removed in 2017, and was, or should have been, aware it didn't have this cover in the following policy years.

N didn't agree and asked for a final decision from 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.

Having done so, I've reached the same outcome as our investigator.

Firstly, DOB accept the meeting in 2023 wasn't handled how they would have expected, and they've apologised for this. N says it recorded this conversation which shows DOB's agent was lying during the meeting. DOB has recognised incorrect information was given about N's previous policy history and said this was likely due to their agent not reviewing the previous policies correctly before the meeting.

As what happened during the meeting in 2023 isn't in dispute, I don't need to decide whether wrong information was given or not by DOB during this meeting. DOB has also apologised, and I think that's fair and reasonable in the circumstances for their error. As explained to N by our investigator, N is the eligible complainant here, and I can't compensate a director of N personally. And nothing has been provided which demonstrates any detriment to N as a business, such as reputational damage, as a result of what was discussed or incorrectly said in that 2023 meeting. And whilst there was wrong information given in that 2023 meeting, that is separate to, and doesn't demonstrate, alleged mis-selling from 2017-2020. I'm satisfied that DOB's apology is sufficient for the incorrect information which was discussed in the 2023 meeting.

N also says it was told previously by DOB that they had destroyed historic policy information. But N complains that DOB has now been able to provide some documentation. Whilst I recognise what N says, DOB has provided available documents to N when responding to its complaint, and the same documents to this service in support of their position. And I've considered these documents when reaching my final decision. Whilst DOB may have informed N some documents were previously destroyed, it's unclear what specific documents they were referring to. Even if DOB is unable to provide all the documents relevant throughout the policy years, that doesn't automatically mean that N's complaint or allegations would be upheld.

DOB has provided this service (and N) with the documents they do have available, and I've taken these into account when considering whether DOB mis-sold N's policies between 2017 and 2020 as alleged.

N alleges DOB mis-sold its policy as it says it wasn't told its livestock cover had been removed between 2017 and 2020. N says this was a key part of cover it would have required given the nature of its business. N also says it made a claim in 2016 so would have wanted the cover to continue from then too.

There aren't any recordings of any conversations or telephone calls from the 2017, 2018 or 2019 renewals. Where there is limited information, or conflicting information, I consider cases on the balance of probabilities. That is, what do I think is more likely to have happened than not. And when doing this, I'll consider all the information available.

DOB has provided its internal note (N has also been sent a copy by DOB) from the 2017 renewal. In this, it indicates DOB had visited N the day before and N had asked for several changes in order to reduce its 2017 renewal premium. One of these changes was to delete livestock cover. There were also several other changes including reducing sums insured for other parts of the policy.

Whilst N disputes it asked for the livestock cover to be removed, on the balance of probabilities, I think it is unlikely DOB would have made the request to delete that cover, and amend and remove other cover, unless N had requested them to. It's clear from this that N was looking to reduce the premiums, and that supports on balance why amendments and deletions were made. N also made other changes in later policy years to reduce its premium too.

On the balance of probabilities, I am unable to conclude that the livestock cover was removed without N's request to do so.

Another key point which I think supports this, on the balance of probabilities, is the 2019 renewal. I say this as DOB has provided a copy of the renewal quote sent to N which outlined:

"Following your request for quotes I can confirm the following:

...

- Livestock – Quote to add Cattle Sum Insured of £200,000. Annual premium would be £562.73. This quote is based on cover for standard perils, plus theft and fatal injury whilst straying."*

Alongside this, there were also quotes to add Storm Damage, increase the Business Interruption cover and amend the Employers Liability cover. All these additional quotes would have significantly increased the renewal premium beyond what was initially quoted for renewal.

On balance, it's unlikely DOB would have obtained additional quotes for all these different covers, unless N had asked it to do so. So, the fact that a quote was requested for livestock cover, on balance, persuades me that N was most likely aware it didn't already have that cover on its policy, otherwise it wouldn't have asked for a quote to add it.

The livestock cover wasn't then taken up, and the cover further reduced by N to reduce the renewal premium to a price and cover N was happy to go ahead with.

Furthermore, the policy schedules also didn't indicate this cover was on N's policy between 2017 and 2020, so N would have been able to see from these schedules that it didn't have livestock cover during that period. N has said it doesn't recall receiving schedules. However, given it was a combined insurance policy for N's business, including cover for farm buildings, machinery and plant, business interruption, employer, environmental and public liability and the directors home and contents, if N didn't receive the documents for a consecutive three-year period, which it was paying a significant premium for, it would have been prudent for it to contact either DOB or the insurer directly to request these.

Additionally, DOB's renewal quote said it contained the relevant documents and schedules, so if N didn't receive those documents specifically referred to, then it could have contacted DOB or the insurer directly to request these.

With the above in mind, I haven't concluded, on balance, that DOB has mis-sold N's policies between 2017 and 2020. And I'm satisfied, on the balance of probabilities and the information provided, that the livestock cover was most likely removed at N's request, and the documents available to N were sufficient to outline that it didn't have this cover during that period.

N also complains that it was told by DOB a potential livestock claim would be declined in 2018 due to the circumstances of what had happened. N says it was led to believe that it did have cover for livestock for other reasons, just not for what had happened. Unfortunately, there isn't a recording of that conversation, but either way there was no detriment to N. I say this because whether N was told it didn't have cover for what had happened, or that it didn't have cover at all, it wasn't because of incorrect advice that a claim wasn't paid, as there wouldn't have been cover in any event regardless of the advice at the time. As I've outlined above, I'm satisfied that sufficient information was provided to demonstrate N didn't have that cover between 2017 and 2020.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 11 January 2024.

Callum Milne
Ombudsman