Ombudsman Decision
CIFO Reference Number: 25-000485
Complainant: B
Respondent: M.J. Touzel (Insurance Brokers) Limited t/a Islands Insurance

The complainant, who I will refer to as B, complains about M.J. Touzel (Insurance Brokers) Limited t/a Islands Insurance. She says its conduct and advice concerning a motor insurance policy has caused her financial loss, stress, and inconvenience.

M.J. Touzel is an insurance broker and not an insurer. While it sells and administers insurance policies, it is the insurer that decides whether to accept a policyholder based on information provided at the point of sale. This decision concerns M.J. Touzel's acts and / or omissions only, not the insurer's.

Background

B bought car insurance from M.J. Touzel, first obtaining a quote over the phone and she confirmed acceptance by visiting its office to pay for the policy in February 2025.

B called M.J. Touzel around seven months into the policy year for a quote on another vehicle. During this call it was discovered that she had a previous criminal conviction. The insurer cancelled the policy as its underwriting criteria wasn't to offer policies to consumers with an unspent criminal conviction.

[1] Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

M.J. Touzel accepted that it had not asked B about convictions during the sales call. But it said the quotation paperwork sent to B stated the importance of checking the document to ensure the information given was correct, including that the cover met B's needs. And any missing information should be notified to M.J. Touzel before the policy starts.

B sought reimbursement of the additional cost she had to pay for car insurance, compensation, acknowledgement of the discriminatory way her complaint was handled and assurances about process improvement.

My initial assessment

I referred to the fact that the quotation, its covering letter, and the Statement of Fact, provided before B accepted the policy, stated the importance of checking the information and its accuracy.

I pointed to warnings in the documents saying the failure to disclose accurate information could invalidate the insurance. The Statement of Fact had a section headed **"About your previous Convictions"** and recorded **N/A.** This was factually incorrect as B had a previous conviction.

I considered the action M.J. Touzel took to 'put things right' having accepted its error, and considered it was a fair reflection of the distress and inconvenience caused:

- 21 days additional cover while B looked for a new insurance policy.
- Cover for any claim arising while the policy was in force.
- Paying an amount of money that reflected the full premium B had paid.

B had also complained about other matters concerning how M.J. Touzel handled her complaint, including discrimination and not putting in place reasonable adjustments. I said complaint handling was not *relevant financial services business* as defined in the Financial Services Ombudsman (Jersey) Law 2014. This was important because it meant a complaint about complaint handling was not an eligible complaint for our purposes that we could investigate.

Replies to my initial assessment.

B didn't agree with my assessment, summarised as follows:

- Responsibility for NOT asking a question can't be shifted to the consumer.
- Generic wording does not discharge professional duty.
- Disability is relevant to the issue of whether any omission should have been noticed.
- If the policy would have been refused from the outset, then her omission to spot the missing information was not causative of the cancellation.
- A cancelled policy carries different underwriting consequences to a decline quotation.
- The discrimination complaint was not just about complaint handling but also treatment in the course of an ongoing commercial relationship.
- Redress is not proportionate.

M.J. Touzel advised that it had paid further compensation to B.

Findings

I have considered the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint.

Having carefully considered all the information again I have reached the same outcome as I did previously and will explain why.

B articulated her complaint in a detailed and specific way, saying:

1. *[M.J. Touzel] failed to ask the required questions about my previous conviction at the point of application, even though this information formed part of the insurer's acceptance criteria. This omission led to [the insurer] later cancelling my policy once the conviction was disclosed.*
2. *As confirmed in [M.J. Touzel's] final response, they admit they should have enquired about convictions but did not. This error put me in a prejudiced position and created unnecessary stress and uncertainty.*

3. *I also raised that their handling of my complaint was discriminatory, as they failed to make reasonable adjustments in light of my [disability], despite being made aware during the complaint process.*
4. *Their handling of my complaint process therefore felt discriminatory and failed to take into account my disability.*

Paragraphs 3 and 4, in B's own submission, both raise issues of discrimination specifically to do with how M.J. Touzel handled and dealt with her in the complaint process. This is distinct and separate from the error made when selling and arranging the insurance policy. As such, I remind myself of the Financial Services Ombudsman (Jersey) Law 2014 and whether this aspect of B's complaint is an eligible complaint. Part of the consideration is whether the complaint relates to an act by another person, being an act that occurred in the course of relevant financial services business. Article 9 defines relevant financial services business and complaint handling does not fall within the meaning of business set out in the Article. I am not able to consider M.J. Touzel's complaint handling as that's not within my remit as permitted by law.

It's worth noting that M.J. Touzel has recently advised that it reached a further agreement to pay B £500. B states this was only in relation to discrimination and wasn't accepted to resolve her complaint with us. Notwithstanding B's comments, even though I can't look at her complaint about M.J. Touzel's complaint handling, I am pleased that M.J. Touzel made an offer that B accepted.

The substance of B's complaint about M.J. Touzel that I can look at concerns the failure to ask about convictions and subsequent cancellation of the policy. The following issues are not in dispute:

- M.J. Touzel failed to ask about convictions.
- The quotation documents warned about checking accuracy and advising of any updates required.
- The Statement of Fact had a specific section for previous convictions with N/A.
- That B did not correct the information about previous convictions.

It is relevant to say that CIFO is not a regulator and so we don't have power or a remit to impose fines or sanctions on a financial services provider for wrongdoing. What I can do in exercising my role as an ombudsman includes making money awards for financial and non-financial loss relevant to the circumstances of a complaint.

I asked B for evidence that she was financially prejudiced by M.J. Touzel's error in not asking her about convictions. Initially I agreed to accept a redacted policy schedule from B, but what I received was only a small part of a schedule. While it showed a total premium of nearly £1,600 for the policy B subsequently purchased, it did not have a complete breakdown of how the total was calculated.

I asked for the full policy schedule and offered to review evidence from the current insurer about how premiums were or would be impacted by the disclosure of a 'refused' policy with the criminal conviction compared with a 'cancelled' policy with a criminal conviction. B didn't consent to this and requested my review to continue based on the information I have.

Had M.J. Touzel asked B about convictions it would have refused to offer a policy because of her unspent criminal conviction, and this was not acceptable to the insurer. I note from M.J. Touzel's Statement of Fact that it also wants to know about whether a proposed insured has had any insurance **refused.** This is not unusual in my experience and indeed it is industry practice. So, had a question about convictions been asked and answered accurately, B would have been refused insurance. When she purchased new car insurance the refusal would need to be disclosed along with her conviction. Again, in my experience, this would have limited her ability to obtain car insurance along with an impact on the price.

It is because of this that I offered to review any information B's new insurer might supply her in terms of whether refusal was less of a price factor than cancellation. B has chosen not to provide this, so I make my decision based on the information I have together with my experience as an ombudsman and dealing with large volumes of motor insurance complaints.

The absence of reliable and detailed information from B is a problem in so far as it is impossible to assess the impact on financial loss. The headline total of nearly £1,600 is not persuasive because I am unable to assess whether the new policy was 'like for like' with the cancelled policy or what factors had been disclosed to the new insurer. What is apparent from the part-schedule B sent is that two vehicles (at least) were insured. Her policy with M.J. Touzel was only for one vehicle. As such, and on the balance of probabilities, I can't reasonably find any financial loss arising from M.J.Touzel's error, and so that leaves me to look at non-financial loss.

It was undoubtedly frustrating and stressful for B to unexpectedly find out that her policy was being cancelled and that she would have to find alternative insurance. B would have had to search for insurance had M.J. Touzel asked about convictions at the sale stage because it would have refused to offer B a policy. Nonetheless, it was inconvenient and unexpected.

I remain satisfied that M.J. Touzel made a fair offer of compensation to B. The offer ensured more than sufficient time to find a new policy (21 days), continued cover for any claims arising in the insured period, and compensation of more than £300 equivalent to the premium B had paid for the seven to eight months of cover the policy had provided.

Having carefully considered all the information I am satisfied M.J. Touzel has offered redress that is fair and reasonable in relation to all the circumstances.

Final Decision

My final decision is that I do not uphold this complaint given M.J. Touzel (Insurance Brokers) Limited t/a Islands Insurance has already offered and paid fair compensation, and I do not require it to take any further action.

Sean Hamilton
Ombudsman

Date: 21 January 2026