



# Our service terms

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# Important Information and Consumer Terms of Business

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# Important Information and Terms of Business

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## 1 What this document is for

This document is an offer by us to provide services in setting up and managing insurance for you. We will refer to it as the “Terms”.

**We will assume you have accepted the Terms unless you tell us you do not.**

If you do not wish to be bound by these Terms then you should not instruct us to set up, renew or otherwise deal with your insurance needs.

**We recommend that for your own benefit and protection you should read these Terms carefully. It is a legal document, but we have tried to make it as easy to read as possible. Where we have had to use technical terms, we have put alternative words in brackets afterwards – these words are meant to help clarify what the technical term means and if there is any contradiction or confusion about which applies, the technical term takes precedence. If you do not understand any point please ask us for further information.**

These Terms replace all proposals and prior discussions and representations, whether oral or written, between us relating to our appointment as your agent in connection with the setting up and managing of your insurance.

In most cases these Terms will terminate and be of no further effect if you cancel or fail to renew your insurance. If we carry out any services post-cancellation/failure to renew these Terms might need to continue to apply.

## 2 Who we are

In these Terms references to “we” or “us” are to the firm whose details are set out in the covering letter that accompanies these Terms. We are an independent insurance intermediary (agent) – this means we are not associated with any insurance company, and we do not insure you, but work as the link between you and the insurer to set up your insurance.

We are part of the Ardonagh Group ([www.ardonagh.com](http://www.ardonagh.com)).

We are authorised and regulated by the Financial Conduct Authority (“FCA”). Our details can be found on the covering letter that accompanies these Terms and can be checked on the FCA Register at the FCA website <https://register.fca.org.uk/> or by contacting the FCA on 0800 111 6768.

Our FCA authorisations mean that we are allowed to:

- recommend insurance policies
- set up insurance
- assist with the managing of insurance policies, all in connection with general insurance
- act as a credit broker for introducing customers who wish to pay for their premiums by monthly instalments to lenders or other finance providers.

Certain parts of the Ardonagh Group act as a Managing General Agent. This means that parts of the Group have been given authority from insurers to perform a range of services on their behalf and for these services we may receive commission and/or fees from those insurers. This facility is known as a binding or delegated authority. These services can include the managing of insurance policies, the

handling of claims for certain classes of business and, in some instances, agreeing and issuing insurance contracts on behalf of those insurers.

The Ardonagh Group also includes business units which underwrite (guarantee), price, design or develop insurance policies on behalf of insurers. Such products may be marketed as products of the Ardonagh Group, but will always be underwritten by an insurer outside of the Ardonagh Group.

### **3 The services we offer**

Our services may include:

- advising you on your insurance needs
- setting up insurance cover with insurers to meet your requirements
- issuing policy documentation to you in a timely manner
- helping you with any ongoing changes you wish to make to your insurance
- helping you make a claim.

We will try to ensure that the products or services we offer you match your stated requirements. We will try to identify your insurance needs based upon information which you provide to us. If we cannot match your requirements, we will explain the differences in the product or service we can offer you and will aim to provide you with enough information so you can make an informed decision about your insurance. Where we are not providing advice or a recommendation we may ask you some questions to narrow down the selection of products we will provide details on. You will then need to make your own choice about how to proceed.

We will explain the main features of the products and services we offer you including details of the insurer, main details and benefits of cover, any unusual restrictions or exclusions, any significant conditions or obligations which you must meet and the period of cover.

If you need extra time to consider the products or services we have offered you, we will try to:

- confirm how long you have to accept the insurance on the terms we have offered and/or
- give you a written quote if you request one, including all the information we believe you need to make an informed decision and/or
- provide you with a sample policy if you ask for one.

We might provide some of the services through other members of the Ardonagh Group.

### **4 What we charge and how we get paid**

The payment we receive in respect of your insurance policy will be the fees we charge you and/or commission from insurers.

Where we charge a fee for our services, we will always inform you of any such charge before you purchase an insurance policy. During the time you have the insurance policy, unless otherwise agreed with you, we will also charge you a fee if you change or cancel your insurance policy. The amount of the fee will be confirmed in your policy documentation.

**Our fees are non-refundable even if you cancel your insurance policy.**

Where we receive commission from insurers, this will be a percentage of the total annual premium. Commission and fees are earned by us at the time we place your insurance. We will be entitled to

retain all payments we earn in relation to your insurance policy including any commission resulting from any additional premium payable during your cover period.

In addition to our commission and fees:

- Where agreed by the insurers, we will obtain additional payments or fees from them. These are for services we provide for them which are unconnected with any specific customer transaction
- If the type of policy we sell reaches the specific sales and/or profitability targets set by the insurers, they also pay us an additional bonus
- We receive referral fees where you have agreed to additional third party services, related to the insurance set up for you, and it has been agreed by those providers
- Where agreed with lenders, we receive commission as a percentage of the total annual amount of credit financed, after we have referred you to the lender. This fee is applied when you have taken out a finance agreement to pay for your insurance policy
- Where we meet or exceed efficiency and profitability targets set by the insurers, in respect of the business we have placed with them, loan facilities can be made available to us, on commercially advantageous terms. If targets are achieved, they will either offer reduced interest rates or extended repayment terms
- We obtain interest and investment returns when we temporarily hold money on behalf of you or the insurer.

**You have a right to request information regarding any payment that we may have received by setting up and renewing each of your insurance policies.**

## **5 Why it is important to tell us as much as you can**

When we set up your insurance we, and the insurers, will ask questions which you are required to answer. You must take reasonable care to answer all the questions honestly, to the best of your knowledge and provide full answers and relevant details. If you do not answer the questions honestly or to the best of your knowledge, insurers may have the right to impose different terms, reduce the amount of any claim payable or to avoid (cancel) the insurance contract from the start and, in this event, any claims under the contract would not be paid.

## **6 Paying for your insurance policy in full**

Unless you arrange to pay for your insurance policy by monthly instalments (see section 7), our payment terms are as follows:

- new policies – full payment of premium (cost of the insurance policy) and fees on or before the start date of the insurance policy
- mid-term adjustments to existing policies – full payment of any additional premium and fees on or before the date the change applies from
- renewals – full payment of premium and fees before the renewal date.

We normally accept payment by bank transfer, debit or credit card or monthly instalments and, if we haven't already given you the relevant details, they are available on request.

If you fail to pay any premium or other fees due within the payment terms your insurance policy may be cancelled from the start date or renewal date (as relevant) and any claims submitted may be

rejected. Where you still owe payments, you will also be liable (responsible) for any extra costs incurred to recover the outstanding amount owed.

## **7 Paying for your insurance policy in instalments**

We cannot advise or recommend how you should pay for the insurance policies we arrange for you, but you may prefer to pay for your insurance in instalments as part of a credit agreement. We can offer you the option to do this through a third-party provider we work with who are called Premium Credit Limited ("PCL"). If you choose this option, we act as a credit broker and not the actual lender.

If you do choose to pay your premium by instalments we will provide you with further information about your credit agreement and other important information within a document headed "YOUR PREMIUM INSTALMENT PLAN – What you need to know". Every effort will always be made to provide you with enough information, but please contact us if we can clarify anything for you.

We will only pass your details to PCL if you give us a clear instruction to do so. If your application for credit is accepted, we would expect you to receive PCL's welcome letter, pre-contractual information and its credit agreement. It is important to take the time to read the information sent by PCL and if you have any questions about the agreement you can contact us or PCL directly. PCL's contact details are:

Address: PCL, Ermyn House, Ermyn Way, Leatherhead, Surrey, KT22 8UX

Telephone: 0344 736 9836

Website: [www.premiumcredit.co.uk](http://www.premiumcredit.co.uk).

Once you're happy to do so, PCL will ask you to sign the agreement, which can be done online.

Where you are paying for your insurance by instalments and an instalment payment is not received on or before the date when it is due to be paid, you agree that we may on your behalf instruct the insurer to cancel your insurance policy (or where the first instalment payment has not been received, notify the insurer that the insurance policy has not been taken up). You also agree that we may offset any refund of premium which may be received against any money which you owe to us, the insurer and/or the premium finance provider. In such circumstances you will remain liable (responsible) for any time your insurance policy is in place or for any other charges that may arise. You will also be responsible for putting in place any alternative insurance.

## **8 Cancelling or making mid-term changes to your insurance policy**

You can cancel or make changes to your insurance policy at any time simply by contacting us. Depending on when you cancel or what changes you make different fees might be applied.

You will have either 14 or 30 days (the "Cooling Off Period") to cancel your insurance policy depending on the type of insurance you have. Your Cooling Off Period will be set out in your policy documents. This period starts on the day you buy the insurance policy or, if later, the day you receive the full terms and conditions of the insurance policy. We will always tell you which one applies.

If you cancel your insurance policy within the Cooling Off Period you will be charged for the period during which you were temporarily covered and other fees (such as an administration fee) may be applied by us or the insurer(s) to cover the costs incurred in setting up the insurance policy.

A Cooling Off Period does not apply to policies of less than one month's duration or single-trip travel policies.

If you cancel your insurance policy after the Cooling Off Period has ended or if you make changes to your insurance policy during its term which reduce the cover provided under the policy, we may charge you for our time and costs. This will result in us reducing any amount we refund to you by the full amount of the commission and fees we would have received had you not cancelled or amended your insurance policy. This is because the majority of our costs are incurred either in initially finding and setting up your insurance policy or in the annual renewal process when we might check the ongoing suitability of the cover the insurance policy offers. These costs are recovered through the commission we earn. If you cancel, this does not give us an opportunity to recover the costs we incurred and would often result in us making a loss. However, any charge we make will not exceed the cost of the commission and fees we would have earned.

You will find full details of the cancellation terms applicable to your insurance policy and any related charges that your insurer may apply in your policy documentation.

## **9 Making a claim or reporting a potential claim against your insurance policy**

If you wish to make a claim or report a potential claim, please follow the instructions provided with your policy documentation, quoting your insurance policy number or other reference given to you.

If we need to be notified as well as, or instead of, your insurance company, we will have provided you with details and a telephone number at the time we sold you your insurance policy and/or in the documentation you received from us.

For some policies, insurers give us authority to act on their behalf in settling claims. In this case we will seek your permission for us to deal with such a claim.

It is essential that you notify us promptly if you find out about something that may mean a claim is made against your insurance policy. You must do this even if you do not believe you are liable (responsible). If you do not tell us straight away your insurer might refuse to accept a claim. If you receive any communication making allegations which could mean a claim is made against your insurance policy, you must pass it to us immediately, without replying to the person who sent it.

## **10 Renewing your insurance policy**

We will write to you before the end of your insurance policy explaining what you need to do and, if we can renew your insurance policy, will send you details of the cost and terms.

We may automatically renew the insurance policy where you have given us authority to do this to make sure you remain continuously insured. If we do, we will use the payment method you have provided to us. You can ask us to stop taking payments automatically or change your payment method at any time by contacting us.

If you do not tell us that you do not want to renew your insurance policy through us, we may assume, but have no obligation to, that you need us to renew the policy to protect your interests relating to what you have insured. If we do renew your insurance policy you may be liable (responsible) to make payment to us and/or your insurer. In addition, if you pay for your insurance policy by direct debit or instalment payments, we will continue to accept payment from you unless and until you specifically notify us or your insurer that you wish to cancel your insurance policy.

## **11 How we hold your money**

Premium(s) and any other monies we may hold on your behalf, for example refund premiums and claim cheques received from an insurer, will be held in trust (by us on someone else's behalf, separately from our money) until they are paid by us to your insurer or to you. This may be a statutory or a non-statutory trust account operated in accordance with FCA regulations. In some cases, we act on behalf of insurers and in these instances we hold money as insurer money (it belongs to the insurer even while we're holding it). In these instances, any premiums that you pay to us are treated as having been received directly by the insurer itself.

We will take commission earned from insurers in connection with your insurance only after we have received your premium or received it from PCL on your behalf, as applicable. This may occur before payment of the premium has been made to the insurer depending on the terms of business we have agreed with the insurer.

Where we receive money on your behalf, for example refund premiums and claim cheques received from an insurer, it is our practice to deduct any amount you owe to us before making any payment to you.

Where we hold money in a non-statutory trust we may use the funds in that account as a short-term credit facility to fund another client's premium before it is received from that other client and/or to pay claims and premium refunds to another client before we receive the same from an insurer. We always ensure that the total funds held in the non-statutory trust account comply with the FCA regulations to ensure you are protected from loss.

Occasionally, as part of the process of finding an insurance policy that suits your requirements, we may pass your premium to another insurance intermediary (agent) who will also be required to hold your money in trust until the premium is deemed to have been received by the relevant insurer. Between receiving any money from you and us passing it to insurers, and vice versa, we may remove it from the trust account in which it is held to another account to earn interest or other investment income from it. In such an event the account in which it is placed will be set up with the same trust protection as the account from which it is removed. To improve the efficiency of our business and maintain the right protection to you we may wish to transfer your money between companies within the Ardonagh Group, including between entities that are regulated by the FCA. In such circumstances we may transfer any money we hold on your behalf to a new bank account with the same trust protections as the existing account to ensure that the protection afforded to your money always remains in place.

## **12 Use of personal data**

Towergate Underwriting Group Limited is the Data Controller of the personal data (information) you provide to us. We may share your information within the Ardonagh Group. We will use your personal information to:

- assess and provide the products or services that you have requested
- communicate with you in relation to servicing and administering your product
- develop new products and services
- undertake statistical analysis to help us improve our services and products
- provide additional assistance for these products or services
- notify you of important changes to products and functionality changes to our websites.



Only where you have provided us with consent to do so, we may also from time to time use your information to provide you with details of offers relating to additional products and services from The Ardonagh Group.

We follow strict security procedures in the storage and disclosure of your personal information in line with industry practices.

Further information is included in our Fair Processing Notice full details of which can be found here <http://www.towergate.com/fair-processing-notice>. This gives you more information on who we are, the types of information we hold, how we use it, who we share it with, how long we keep it for and informs you of certain rights you have regarding your personal information. If you are unable to access this website, we can send the Fair Processing Notice to you at no cost. You can also contact us for general data protection queries via email to [DataProtection@ardonagh.com](mailto:DataProtection@ardonagh.com) or in writing to The Data Protection Officer, care of the office of the Chief Information Officer, The Ardonagh Group, 55 Bishopsgate, London, EC2N 3AS.

### **13 Financial crime**

In providing our services to you, we will not engage in any activity which would breach any applicable financial crime law, statute or regulation. These include, but are not limited to, those relating to financial and economic sanctions, the facilitation of tax evasion, anti-bribery and corruption, anti-money laundering and/or combatting the financing of terrorism.

We will not arrange any insurance or benefit or pay any claim which may result in us breaching any such laws, statutes or regulations. Where we reasonably believe that it is necessary or desirable, we may take certain actions including, but not limited to, ceasing to provide services to you, freezing funds held on behalf of you or a third party and/or passing on your details to relevant authorities or regulators. Where we reasonably believe that we are prohibited from doing so, we will not disclose the fact that we have taken such actions against you.

### **14 Complaints and compensation**

Our aim is to always provide a high standard of service to you. However, we recognise that things can go wrong occasionally and if this occurs we are committed to resolving matters promptly and fairly. If you wish to complain please contact us in any of the following ways using the contact details on the letter or business card that accompanies these Terms:

- in writing (please mark your correspondence as 'Complaint')
- by e-mail (please mark your correspondence as 'Complaint')
- by telephone
- in person.

In all cases please quote your insurance policy number or any other reference we have given you.

Our Complaints Procedure is available from us on request.

#### **Lloyd's insurance policy holders**

If your insurance is provided by underwriters at Lloyd's we will confirm this to you when acknowledging your complaint. If you are unhappy with our response to your complaint, you may be entitled to refer the matter to the complaints team at Lloyd's. Lloyd's will investigate the matter and

provide a final response. Full details of Lloyd's complaints procedures are available at [www.lloyds.com/complaints](http://www.lloyds.com/complaints)

### **The Financial Ombudsman Service**

If you are unhappy with our decision, or one provided by Lloyd's, where applicable, or if we do not complete our investigation within eight weeks, you may be entitled to refer your complaint to the Financial Ombudsman Service ("FOS").

FOS is an independent and free service for settling disputes between businesses providing financial services and their customers. Further information on FOS and whether you would be eligible to refer your complaint to them can be found at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

If you live outside the United Kingdom or if you prefer not to deal directly with FOS, you may be able to refer your complaint to a local dispute resolution provider.

### **Online purchases**

For purchases made online, the European Commission ("EC") has established an Online Dispute Resolution platform. The platform can be found on the EC's main website (<https://ec.europa.eu/>) and will direct you to an alternative dispute resolution provider to help resolve your complaint. In the UK, it will be FOS.

## **15 Financial Services Compensation Scheme**

You may be entitled to compensation from the Financial Services Compensation Scheme ("FSCS") if we or your insurer cannot meet our or its obligations, depending on the circumstances of the claim.

The FSCS does not apply to the following types of insurance: aircraft, ships, goods in transit, aircraft liability, ships liability and credit.

Further information about compensation scheme arrangements is available from the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk).

## **16 Limitation / Exclusion of liability**

Our liability (responsibility) for losses suffered by you as a consequence of us performing of our services negligently is **limited in all circumstances to £5,000,000 per claim**.

For any other claim arising out of our performance or non-performance of the services, our liability (responsibility) is limited to the amount of commission and fees which we have received for setting up your insurance cover during the 12 months prior to such claim arising.

We will not be liable (responsible) to you for any loss of profit or loss of business, whether or not we or you could foresee those losses arising as a result of our performance or non-performance at the time we provided you with our services. Nothing in this paragraph will exclude or limit our liability (responsibility) for death or personal injury caused by our negligence, or for loss caused by our fraud, wilful misrepresentation or breach of the regulatory obligations we owe to you.

You are welcome to contact us to discuss increasing the limitations of our liability and/or varying the exclusions set out above. However, an additional charge and other terms may apply.

## **17 No waiver or amendments and our right to assign**

Any delay on our part in enforcing (pursuing) any of our rights under these Terms, either in whole or in part, will not be deemed to be a waiver by us of such rights.

Neither we nor you may amend these Terms at any time during the period of your insurance unless we both agree to any such changes or unless they are required to reflect a change of applicable law or regulation, in which case we may make amendments to these Terms and they will be deemed to be accepted by you. Whenever possible, we will provide at least one month's written notice to you before any such changes take effect.

We may freely assign (transfer) or delegate all or any part of these Terms and/or the services provided under these Terms to any third party or company within the Ardonagh Group. In the event that we assign or delegate all, or any part, of these Terms to a third party your rights under these Terms will not be adversely affected.

We may also transfer your policy to another company that is part of the Ardonagh Group.

## **18 Insurer solvency**

We monitor insurer solvency on an ongoing basis and endeavour to place business with insurers with adequate levels of financial solvency. However, we cannot guarantee the solvency of any insurer and shall not be liable (responsible) for losses suffered by you in the event of the insolvency of an insurer.

## **19 Governing Law**

These Terms are governed by the laws of England and Wales and if there is any dispute about these Terms or the services we provide under them, you and we both agree to the jurisdiction of the English courts (they should be decided by English courts).