

The complaint

Mr A is unhappy that Royal & Sun Alliance Insurance Limited wouldn't pay out following a burglary claim under a commercial combined insurance policy.

Mr A is bringing a complaint on behalf of a company "C". For ease of reference I'll refer to Mr A throughout.

Although lots of businesses and representatives of RSA have been involved, I'll refer mainly to RSA throughout.

What happened

Mr A notified RSA of a break in at the business address. Due to the size of the claim RSA appointed specialist loss adjusters to inspect and validate the claim.

At the point when the claim was going to be settled Mr A provided bank details for the claim payment to go to. The loss adjuster noticed that the bank account details were for another company "T". The loss adjuster looked into this further and found it was an alternative account for a different company "V". After checking the loss adjuster found that Mr A wasn't a director of C, and neither was the person who had initially set up this policy. The loss adjuster contacted the actual director of C who hadn't been involved in the claim at any stage and he denied all knowledge of the insurance policy or the claim. The director said C was a dormant company. Based on these details RSA declined the claim as C, the company insured on the policy hadn't suffered any loss.

RSA also said if the policy had been requested under the name of V it wouldn't have offered cover due to Mr A's prior financial history. Unhappy with the outcome Mr A brought his complaint to this service.

Our investigator upheld the complaint after suitable checks and assurances had been gathered to continue with the complaint with Mr A. He said it was clear that C was a trading name of V. He accepted Mr A's point that the policy set up was clearly a clerical error and that V was the company the policy was supposed to cover. Our investigator said it was unreasonable for the claim to fail based on a name being incorrectly input. He said that RSA should reconsider the facts of the claim on the details presented rather than the company name. Our investigator said RSA should reinstate the policy (it had been cancelled and the premiums refunded) and deal with the claim in line with the remaining terms and conditions. To do this he asked Mr A to return the refunded premiums and confirmed that policy reinstatement wouldn't guarantee the claim would be paid.

RSA responded saying it accepted this. It said it would await repayment of the premium to allow it to reconsider the claim once the policy had been reinstated. RSA confirmed the payment would need to be arranged through the broker "T". RSA also confirmed that any claim put forward by V would need to be done so by *"an authorised officer of that company"*. RSA said Mr A isn't a director or officer of V.

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 note Mr A's concerns that he would just like RSA to settle the claim. But I accept the point that a policy needs to be in place first before a claim can be considered and reinstatement of a policy is a necessary start point before further action around the claim can occur. This is a standard process. This service won't just ask RSA to pay without there being a policy in place.

I can understand Mr A's concern that as the claim hasn't been paid out, he's worried that the premium refund money is the only amount he managed to get back from RSA when the policy was cancelled.

But I think as RSA is willing to reconsider the claim on the terms it has mentioned above this is a fair and reasonable outcome based on the evidence provided.

Mr A is clear that the business was robbed. And based on the way the claim settlement was developing it did appear that a payment was close before the further details emerged. I think it was understandable in the circumstances for RSA to conduct further investigations from that point, even though I can see why Mr A found this frustrating.

I think the terms put forward by RSA on which it is willing to reconsider the claim are reasonable.

If Mr A does decide to go pay the premiums and the policy is set up again RSA will reconsider the claim and any issues that arise from this should be discussed between the appropriate parties. If there are any problems with the claim afterwards, or the returned premiums, that can't be resolved, then potentially a new complaint could be brought to this service.

Putting things right

Reconsider the complaint in line with the policy terms and conditions once the premiums have been repaid and the policy reinstated.

My final decision

I uphold this complaint.

I require RSA to reconsider the complaint in line with the policy terms and conditions once the premiums have been repaid and the policy reinstated.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 17 June 2022.

John Quinlan
Ombudsman