

The complaint

Mr W is a sole trader, trading as C. He complains that I.M.S. (London) Limited trading as Instant Underwriting ('IMS') unfairly declined a theft claim under C's Retail insurance policy.

For ease of reading, I'll refer to all comments and actions of Mr W as being those of C.

What happened

C held a Retail insurance policy with IMS. C claimed under the contents and stock section of its policy after a theft of a Vitesse statue. C was at a classic car and autojumble show selling items. C said that while packing items away into the boot of his car, the theft of the statue occurred.

IMS appointed a loss adjuster to investigate C's claim. Following their investigation, IMS declined C's claim. They said C had failed to meet an endorsement in the policy which is that IMS wouldn't be liable to cover any thefts where there had been no forcible or violent entry at an exhibition premises, unless those premises were protected by permanently sited security guards.

C disagreed with the decision – it said that the event had volunteer marshals who acted as security and therefore felt the endorsement had been complied with. But IMS disagreed. They said that the volunteers did not meet the criteria of 'permanently sited security guards' which was the requirement of the endorsement.

Unhappy with IMS's decision, C brought its complaint to our service. It said that there were security measures in place at the event - club volunteers were acting as security marshals, and they were also issuing wristbands – paying visitor was issued with a coloured wristband to identify them as customers and dealers with different colours. C felt that these measures satisfied the endorsement on its policy to have permanently sited security guards.

Our investigator looked into C's complaint but didn't recommend it be upheld. He thought it was fair and reasonable for IMS to rely on a breach of the endorsement to decline the claim, and he didn't think IMS needed to do anything differently.

C maintained that it was unfair that IMS were using a "get out clause" for there being no security personal at the event when it felt there was security in place. C didn't agree with our investigator's findings and so the complaint has therefore 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.

The relevant rules and industry guidance say that IMS have a responsibility to handle the claims promptly and fairly and they shouldn't reject a claim unreasonably. I have to decide if I think IMS have applied the terms of the policy in a fair and reasonable manner when

declining C's claim. Having reviewed everything available to me, I think they did, I'll explain why

When considering whether or not it was reasonable for IMS to decline C's claim, I have looked closely at the relevant policy terms and conditions including the endorsement that IMS has relied on.

C said the theft claim should be covered under the contents and stock section of its policy. The relevant section states:

"Section A – Automatic cover

Additional cover – automatically included...

5. Exhibitions and trade fairs

We will pay for damage to the property insured for a period not exceeding 15 consecutive days whilst at any exhibition or trade fair premises and while in transit to and from them in the territorial limits.

The maximum we will pay is £5,000 for any one loss.

We will not cover theft or attempted theft from unattended vehicles."

C's policy schedule also contained the following endorsement as an amendment to the policy wording above:

"ENDP4639900: Premises of exhibitions – Amendment

The insurance on general contents and stock applies also at any exhibition premises up to a maximum of 15 consecutive days, including while in transit to and from, within the territorial limits. The maximum we will pay is £30,000 in any one period of insurance.

We will not cover

*I. Theft or attempted theft from unattended vehicles;
II. theft or attempted theft where there has been no forcible or violent entry unless the exhibition premises are protected by permanently sited security guards;
III. personal belongings of your directors, employees or visitors.
We will not be liable for the first £250 of each loss."*

IMS has relied on this endorsement to decline C's claim. It concluded that the policy endorsement had not been complied with as there was no 'forcible or violent entry' and no 'permanently sited security guards'.

Based on what C has told us, I am satisfied there was no forcible or violent entry used during the theft. I therefore have to consider whether the exhibition premises were protected by permanently sited security guards in order to satisfy the above policy endorsement.

IMS said the event organiser told its loss adjuster that there were no security guards employed for this event. However, they did confirm that volunteers from the club were looking after the carparks as well as the public and trade entrances. All traders and helpers were identified with a wristband and the public attending were issued with a different colour.

IMS said the event organiser confirmed that while the event is made as secure as possible no paid security guards were used at the event.

I've carefully considered what C has said about the security measures that were in place at the exhibition - C feels that the volunteers helping at the exhibition satisfy the criteria in the endorsement to have permanently sited security guards. While I understand what C is saying, I agree with the investigator that the volunteers at the event who had various responsibilities don't satisfy the endorsement to have permanently sited security guards. As the investigator has said, these exhibitions are high risk events and therefore it's reasonable that IMS would seek to have safety measures in place. This is further supported by the fact IMS included this additional endorsement to C's policy as a result of agreeing an increase in the level of cover. This suggests to me that the requirement of the endorsement was to have permanent professional security guards.

I'm satisfied that the policy didn't provide cover unless this endorsement could be met and for the reasons given above, I'm not persuaded that C complied with the endorsement to have permanently sited security guards.

In summary, I don't consider that IMS treated C unfairly or unreasonably when relying on the policy endorsement to decline its theft claim. I therefore won't be requiring IMS to do anything differently.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 21 July 2023.

Ankita Patel
Ombudsman