

The complaint

Mr and Mrs O complain that White Horse Insurance Ireland dac (“White Horse”) hasn’t fairly settled their wedding insurance claim. Any reference in this final decision to Mr and Mrs O or White Horse includes its respective representatives and agents unless specified otherwise.

What happened

The background of this complaint is known in detail to the parties involved, so I’ll summarise what I’ve found to be the key points.

- Mr and Mrs O took out a wedding insurance policy with White Horse to cover their wedding due to take place in April 2022.
- A few months before the wedding date, their wedding venue (Venue A) contacted them to say it was unable to host their wedding because of a fire at Venue A.
- Venue A also said that it would be unable to return the £5,500 they’d paid to it for venue hire along with £320 accommodation costs as in line with the contract Mr and Mrs O had signed, it wasn’t liable to refund any monies in the circumstances of a fire. It advised Mr and Mrs O to contact their wedding insurance provider to make a claim.
- Mr and Mrs O registered a claim with White Horse which was paid in part – £2,000 for re-arrangement costs covered under the policy and £210 for costs it deemed were *irrecoverable*. It also paid them £100 compensation for a miscommunication error.
- But White Horse didn’t agree to cover the cost of the venue hire and accommodation as it said this was the responsibility of Venue A as it couldn’t fulfil its contractual obligations and so had to refund Mr and Mrs O what they’d paid to it. It concluded these costs were therefore not irrecoverable and so weren’t covered under the policy.
- Mr and Mrs O disagreed. They said they’d tried on several occasions to get their money back from Venue A but had been told this wasn’t possible and the contract they’d signed supported this. They were adamant the venue fee and associated costs met the policy definition of ‘*irrecoverable*’ and so should be covered.
- Our investigator considered Mr and Mrs O’s subsequent complaint about the matter and upheld it. They said Mr and Mrs O had shown they’d tried to get the money back from Venue A without success and they were satisfied in the circumstances of this case that the claim was therefore payable under the policy, irrespective of White Horse’s opinion that Mr and Mrs O are entitled to a refund from Venue A.
- The investigator said it wouldn’t be fair in this case, to expect Mr and Mrs O to take Venue A to court, but that White Horse themselves could pursue Venue A to recover the claim value they pay to Mr and Mrs O if it wished to do so.
- White Horse disagreed with this and asked for an ombudsman to decide the case. It said the policy definition of ‘*irrecoverable*’ had been drafted in plain language and makes clear that where there is an entitlement to recovery from another third party a loss will not be considered irrecoverable.

- It thought the investigator's opinion disregarded the policy wording and wasn't fair or reasonable. And it referenced a couple it had heard from who'd gotten their money back from Venue A after threatening legal action.
- The case has been passed to me to make a final decision.

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 decided to uphold this complaint and I'll explain why.

- Venue A cancelled Mr and Mrs O's wedding because of a fire that destroyed parts of the venue meaning it would be unable to host their wedding as planned.
- Mr and Mrs O say they signed a contract with Venue A which said it wouldn't be liable for failure to provide access to the venue for circumstances outside its control such as a fire. The contract required them to take out appropriate insurance, so they took out a wedding insurance policy that was underwritten by White Horse and covers them for cancellation of their wedding in the event of a fire. That is what happened in this case and so they think the claim should be covered.
- Mr and Mrs O's policy with White Horse does cover them for cancellation, curtailment and rearrangement of their wedding. But as is standard with policies of this nature, this cover is subject to certain terms, conditions, limitations and exclusions which are set out in the policy documents. My starting point is to look at what these say.
- Page 11 of the policy document says White Horse will pay *"up to the amount shown in the schedule for any irrecoverable expenses you have paid for or which you have to pay for, under contract or subsequent agreement for the services of any wedding services supplier not used as a direct result of the unavoidable cancellation by you of the wedding or wedding reception caused by any of the following reasons...b) damage to the venue caused by fire, natural catastrophe or adverse weather"*.
- White Horse accept Mr and Mrs O have a valid claim under this part of the policy and have therefore covered the rearrangement and cancellation costs Mr and Mrs O claimed for that they are satisfied are *"irrecoverable"*, which is defined in the policy as *"We will only cover costs which you have not already recovered or which you are not entitled to recover from another third party"*.
- White Horse hasn't paid out for the hire fee and accommodation costs Mr and Mrs O paid to Venue A. White Horse say that as Venue A was unable to perform its contractual obligation of hosting their wedding, it's responsible for refunding Mr and Mrs O any money paid to it for this and that it has suitable insurance in place to do so. White Horse says the definition of 'irrecoverable' makes clear that where there is an entitlement to recovery from another third party a loss will not be considered irrecoverable. So it's satisfied it's fairly declined this part of the claim.
- Mr and Mrs O argue that the policy definition of 'irrecoverable' has two parts. And that White Horse's declination ignores the first part of the definition. This is because the two parts of the definition are joined by the word *"or"* so they think either of the parts being satisfied amounts to 'irrecoverable' under the policy. And as the money being claimed for is *"not already recovered"* by Mr and Mrs O, then the definition is met, and the claim should be paid.
- I've thought about both arguments carefully. But either way, I still think the claim should be paid in this case and I'll explain why.

- The evidence I've seen shows Mr and Mrs O have tried to recover the amounts being claimed for from Venue A on several occasions without success. So I'm satisfied the money they're claiming for has *not already been recovered* – this isn't in dispute.
- White Horse say that Mr and Mrs O are *legally entitled* to a refund from Venue A, but Mr and Mrs O argue they've signed a contract which seems to state otherwise.
- Whether these contract terms are fair or not isn't for me to decide in this case, and White Horse simply cannot say with certainty that a court would decide in Mr and Mrs O's favour with regards to this. And I don't think it would be fair or reasonable in this case to make Mr and Mrs O go to court to attempt recovery of these monies before making a claim.
- White Horse say Venue A has insurance that it can claim on to refund couples such as Mr and Mrs O. This may well be the case, but I have no information of what this policy covers and whether or not it *will* pay out for the loss Mr and Mrs O suffered.
- Venue A may well have paid out to another couple, but I'm only considering Mr and Mrs O's case and from what I've seen at the time of writing this decision, Venue A has told them it cannot refund them the money paid. Hypothetical scenarios or outcomes that may or may not have been achieved for other people don't change this fact.
- With all of that in mind and on balance of what is fair and reasonable in all the circumstances of this case, I'm satisfied Mr and Mrs O haven't recovered the venue hire and accommodation costs from Venue A. And I'm not persuaded from what I've seen in this case, that they are entitled to recover these costs from another third party.
- It follows for the reasons set out above and taking into consideration what's fair and reasonable in all the circumstances of this particular case, I'm satisfied the money Mr and Mrs O are claiming for is irrecoverable under the policy and so White Horse should pay the outstanding claim amount less any applicable policy excess and in line with any applicable policy limits, terms and conditions.
- The short notice cancellation of Mr and Mrs O's wedding impacted them financially and was understandably stressful and upsetting. I don't doubt this was further compounded by White Horse declining a substantial part of their claim, which for the reasons set out above I don't think was fair in this case. I agree with our investigator that White Horse should also pay Mr and Mrs O £150 compensation for the distress and inconvenience this caused.
- I've considered all of the comments from White Horse, including its concerns about the impact of this decision on other potential claims. But I've been clear in my findings that the decision reached in this case is specific to Mr and Mrs O's individual complaint, information and circumstances. Any other potential cases looked at by this service would be fairly considered on their own merit. So these points don't change my conclusion.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. White Horse Insurance Ireland dac must do the following to put things right:

- Pay Mr and Mrs O's claim in full and in line with the policy terms and conditions (less any applicable policy excess) for the Venue A hire fee and Venue A accommodation. 8%* simple interest should be added to these amounts from the date Mr and Mrs O made the claim to the date White Horse settles it.

- Pay Mr and Mrs O £150 compensation for the distress and inconvenience caused in this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O and Mrs O to accept or reject my decision before 5 April 2023.

* If White Horse considers that it's required by HMRC to take off income tax from the interest, it should tell Mr and Mrs O how much it's taken off. It should also give Mr and Mrs O a certificate showing this if they ask for one, so they can reclaim the tax from HMRC if appropriate.

Rosie Osuji
Ombudsman