

The complaint

Mr G complains that HDI Global Specialty SE rejected a claim on his business protection insurance policy.

Where I refer to HDI, that includes its agents and claims handlers acting on its behalf.

What happened

Mr G has an insurance policy which provides cover in relation to his business. As well as covering the premises, the policy includes cover for a number of things including the loss of money while in transit and personal belongings.

Mr G made a claim after an incident where a bag containing cash and other items was stolen from his van while it was being loaded.

HDI declined the claim because there's an exclusion for loss of money from a vehicle which is left unattended and not under the observation of someone able to observe or prevent any attempt to interfere with the vehicle.

Mr G complained that this exclusion was unfair. He said while his wife and another family member were loading goods into the back of the van someone opened one of the doors at the front of the van and took the bag. They were with the van at all times, so it wasn't left unattended.

As HDI wouldn't change its decision Mr G complained to this service. Our investigator thought it wasn't fair to apply the exclusion and asked HDI to reconsider the claim and pay compensation to Mr G of £100.

HDI disagrees and has requested an ombudsman's 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.

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress; and not unreasonably reject a claim.

The relevant section of the policy provides cover for loss of money while in transit. But there's an exclusion for loss in a vehicle which is "*unattended and not under the observation of someone able to observe or prevent any attempt to interfere with the vehicle.*" HDI says this applies here. The issue for me to decide is whether it's reasonable for HDI to apply that exclusion in the circumstances of this claim.

If the term is applied literally in every case, there would be no cover for any situation where there is no-one able to observe or prevent "*any attempt*" to interfere with the vehicle. If the

van had been left unattended I can see how it would be reasonable to apply the exclusion. But Mr G's wife and daughter were at the back of the vehicle. They didn't leave it unattended. I appreciate they didn't see the person taking the bag from the front of the van, but it's not clear what more they could have done in the circumstances. Mr G points out that it's impossible for someone to keep their eyes on everything happening at the front while they are loading goods inside the back of van.

Applying this exclusion strictly would mean having someone effectively 'on guard' at the front of the van while they are loading the back. I don't think that's reasonable. So I don't think it's fair for the claim to be subject to the exclusion here.

HDI hasn't disputed what happened. It said *"We do not doubt the incident occurred or that you are the victim of a crime, however we are bound by your policy wording which in these circumstances means the claim for the money cannot be accepted."* I understand HDI agreed to settle the claim for one of the stolen items, up to the policy limit of £250, but not for the cash. From the evidence I have, it's not clear why part of the claim would be settled but not the claim for the cash.

While HDI might want further evidence of the amount of cash involved, that doesn't mean the claim for cash should be rejected entirely.

Given that the HDI accepts the incident occurred, and on the basis the exclusion shouldn't be applied, then the claim should be settled in line with the policy terms subject to, for example, evidence of the amount of cash that was taken. I wouldn't be able to determine the amount to be paid in relation to the cash claim on the evidence I have before me. It's for Mr G to provide the evidence he has in support of his claim, which HDI can then consider.

Taking everything into account I consider this a fair way to resolve this complaint.

Mr G was upset by the way the claim was handled and the decision not to cover the loss of cash. Making the claim would always have required him to correspond with HDI and provide evidence. But he was put to unnecessary trouble as a result of the claim being rejected and having to challenge the decision. I agree a payment of £100 would be fair to acknowledge this.

My final decision

I uphold the complaint and direct HDI Global Specialty SE to

- settle the claim in line with the remaining policy terms including any excess and indemnity limit; and
- pay £100 to Mr G to compensate him for the distress and inconvenience caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 October 2023.

Peter Whiteley
Ombudsman