

The complaint

Mr D complains about Accelerant Insurance Europe SA/NV UK Branch (Accelerant) not renewing his home insurance policy.

Reference to Accelerant in this decision includes their agents.

This decision covers Mr D's complaint made to this Service about Accelerant as the insurer of his policy up to the renewal date in May 2023. It doesn't cover the insurer of his new policy taken out in May 2023, nor the broker involved in arranging the new policy.

What happened

Mr D had a home insurance policy with Accelerant, which was due for renewal in May 2023. However, Accelerant said they wouldn't be offering to renew Mr D's policy. Mr D said he was told this was because of his previous history of claims made due to escape of water.

One of the claims recorded was in May 2021, when Mr D reported a leak. Accelerant sent an engineer to investigate the issue, which was found to be from the heating system when it was switched on. However, there was no water damage found, so Accelerant didn't carry out any repairs. But they recorded the incident as an escape of water claim. There had also been a previous claim for an escape of water, and a paid settlement, in 2019.

Through his broker, Mr D was able to take out a replacement policy, but at significantly increased cost (the annual premium increased from £1,147 to £3,328) and with restrictions on cover (an exclusion for escape of water and a water damage loss limit of £100,000).

Unhappy at Accelerant not offering to renew his policy and having to take out alternative cover at increased cost and with restrictions and limits on cover, Mr D complained. Because the incident in 2021 didn't lead to any damage being repaired, he didn't think it should be recorded as a claim. He'd contacted Accelerant to tell them about the issue as a precaution to mitigate the risk of future damage. Having the 2021 incident recorded as a claim made it more difficult for him to obtain cover at a reasonable price. He wanted the exclusion and loss limit removed and confirmation he wouldn't have to tell future insurers Accelerant had declined to offer renewal of his policy.

In their final response, Accelerant didn't uphold the complaint. They confirmed the 2021 incident was correctly recorded as a claim as the report from the engineer who inspected the property indicated there was a leak when the heating system was turned on, but no water damage. Accelerant were no longer offering the policy product, so it wouldn't have been possible for Mr D to renew the policy.

Mr D then complained to this Service. He was unhappy at the 2021 incident being recorded as a claim which he thought affected Accelerant's decision not to offer renewal and other insurers to offer policies – but only with restrictions. He'd been affected financially by having to pay a higher premium for his new policy and restrictions on cover. The restrictions also caused him stress, given the prospect of not having cover should there be a future escape of water. He wanted cover reinstated, including for escape of water, at a reasonable premium.

He also wanted record of the 2021 claim to be removed and confirmation he wouldn't have to tell any future insurer that he'd been refused cover.

Our investigator didn't uphold the complaint, concluding Accelerant hadn't declined to renew Mr D's policy – they'd stopped offering the product to the market entirely. So, they couldn't renew or reinstate the policy. Accelerant incurred costs from the incident in 2021, so they were correct to record it as a claim and didn't need to remove record of it. She also thought Accelerant weren't responsible for any policy restrictions or limits other insurer(s) put in place, as they were entitled to consider claims history when offering a policy and the terms offered. Because Accelerant stopped offering the policy, they hadn't cancelled or avoided Mr D's policy, so he wouldn't have to disclose it to future insurers.

Mr D disagreed with the investigator's conclusions and requested an ombudsman review the complaint. He didn't think the 2021 incident should be recorded as a claim.

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.

My role here is to decide whether Accelerant have acted fairly towards Mr D.

The key issue in Mr D's complaint is whether Accelerant acted fairly in not offering to renew his policy in May 2023. There's also a specific issue of whether Accelerant acted fairly in treating the 2021 incident as a claim – Mr D says the incident shouldn't be treated as a claim, whereas Accelerant say they incurred costs, so it was right to record it as a claim.

Mr D is also unhappy at the cost of his new policy (the premium) and the restrictions and limits on cover within it. However, both these issues are matters for his new insurer under the terms of the policy they offered and which Mr D took out. They aren't the responsibility of Accelerant, the business against which Mr D has complained to this Service. So, as I set out earlier, these aren't issues for me to look at in this decision – which considers whether Accelerant, not Mr D's current insurer – have acted fairly towards him.

In terms of the 2021 incident, Accelerant appointed an engineer to visit Mr D's property. The outcome of the visit was issues with boiler pressure valves and radiator vent/values. There were no issues with water damage and the issues only arose when the heating system was switched on. The nature of the issues was suggestive of a maintenance issue. Accelerant appointed a loss adjuster and incurred costs (over £1,000). So, while there was no repair work carried out, having incurred costs then recorded the incident as a claim.

Having considered this point, I don't think this is unreasonable, even if no repair work was carried out. The value of the claim is also likely to have been recorded, which would indicate its relatively low value.

Accelerant also recorded a separate escape of water claim by Mr D in 2019. I've seen nothing to indicate this wasn't the case – nor has Mr D challenged this when making his complaint (he only challenged the recording of the 2021 incident as a claim). Given these points, I've concluded Accelerant acted fairly and reasonably in recording two claims for escape of water, in 2019 and 2021.

In terms of the renewal of the policy in May 2023, Accelerant have told us they stopped providing the [policy] product in January 2023 and stopped renewals of existing policies in February 2023. So, they couldn't offer renewal to Mr D's policy when it would have come up for renewal in May 2023. As they stopped offering the policy, either as new business or

renewal of existing business, then they didn't treat Mr D any differently to any other policyholder who had the same policy and where the renewal date fell after February 2023.

Whether to offer specific policies and/or the terms under which those policies are offered is ultimately a commercial decision for an insurer. They are not obliged to offer policies – or continue to offer to renew existing policies – if they are no longer willing to provide them. As a commercial (operational decision) decision for Accelerant, it's not something that falls within the remit of this Service, so I'm not able to require them to renew or reinstate a specific policy if they no longer offer it.

So, I've concluded Accelerant haven't acted unfairly or unreasonably towards Mr D, either in recording an escape of water claim in 2021, or not offering to renew his policy in May 2023. So, I won't be asking them to take any action.

My final decision

For the reasons set out above, it's my final decision not to uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 March 2024.

Paul King
Ombudsman