

The complaint

Miss C and Mr O complain about The National Farmers' Union Mutual Insurance Society Limited ("NFU") and the indexation amount applied to calculate NFU's most recent settlement figure.

Miss C has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken or comments made by either Miss C or Mr O as "Miss C" throughout the decision where appropriate.

What happened

The claim and complaint circumstances are well known to both parties. So, I don't intend to list them chronologically in detail. But to summarise, Miss C was unhappy with the indexation amount applied to the settlement figure put to her by NFU in March 2024. So, she raised a complaint about this.

NFU responded to the complaint and didn't uphold it, explaining why they felt they had acted fairly, and in line with the policy terms and conditions, when applying the indexation amount to her sum insured when offering the settlement. So, they didn't think they needed to do anything more. Miss C remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and didn't uphold it. They thought NFU had acted correctly, and in line with the relevant policy terms and conditions, when applying the indexation increase to Miss C's sum insured when calculating their most recent settlement offer. So, they didn't think NFU needed to do anything more.

Miss C didn't agree. She explained why she thought the indexation amount should be calculated to consider the period of time she felt NFU had placed her settlement payments on hold unfairly at the start of the claim process, up to the summer of 2012. So, she didn't agree that NFU had acted fairly regarding the indexation and the date they had calculated it from. As Miss C didn't agree, the complaint has been passed to me for a 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'm not upholding the complaint for broadly the same reasons as the investigator.

I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I think it's important for me to set out what I've been able to consider. I note Miss C feels the indexation amount should consider the period of time she feels NFU unfairly delayed her receipt of their initial settlement payments

in 2012.

But for me to be able to consider this point, I would first need to be able to decide whether I think NFU caused an unreasonable delay. And I note our service has already issued a decision to Miss C in June 2024, explaining why her complaint about this delay falls outside of our services jurisdiction to consider. And further to this, I've seen NFU issued a final response to Miss C's concerns about this in 2012, where they explained why they felt the delays in these settlement payments were justified as they needed to validate her claim.

So, this isn't something I'm able to consider when deciding Miss C's complaint about the indexation applied to her sum insured when offering the most recent settlement. And it hasn't impacted the decision I've reached.

Instead, I've thought about whether I think NFU's application of the indexation falls in line with the terms and conditions of the policy Miss C held. And I think it does here.

I think the policy wording makes it reasonably clear that NFU will increase the sum insured limits of the policy at renewal. In this situation, Miss C's initial loss incurred mid-term. And NFU have confirmed that in a situation such as this, the indexation adjustment will continue monthly from the date of renewal to the time of any insured damage. I think this is a reasonable approach.

So, I think NFU have acted fairly, and in line with the policy Miss C held, by calculating the increased sum insured limit from the date of loss, which is the date the insured event Miss C initially claimed for occurred. And I'm satisfied from the settlement calculations NFU provided to Miss C that this is what they have done.

Because of this, and the fact I'm unable to speculate or consider whether there was an unreasonable delay due to the decision previously issued by our service about this point, I'm unable to say NFU have acted unfairly here. So, it follows that I'm not directing NFU to do anything more on this occasion.

My final decision

For the reasons outlined above, I don't uphold Miss C and Mr O's complaint about The National Farmers' Union Mutual Society Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C and Mr O to accept or reject my decision before 3 December 2024.

Josh Haskey
Ombudsman