

The complaint

P, a micro-enterprise, is unhappy that UK Insurance Limited trading as Direct Line declined a claim made on their personal accident policy.

What happened

P has a personal accident policy which covers a named person in the event of temporary or permanent disablement. I'll refer to the insured person as Mr K.

Mr K claimed on the policy following an accident where he fell in the street and sustained head injuries. The claim was declined as Mr K had said he'd consumed alcohol on the day of the accident. Mr K complained as he didn't think this was fair given that hours had passed between the time the alcohol had been consumed and the time of the accident. UKI maintained their decision was fair, so Mr K complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. He thought UKI had reasonably relied on the alcohol exclusion in the policy when declining the claim. Mr K didn't agree and asked an ombudsman to review the complaint. He didn't think it was fair for UKI to decline the 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.

The relevant rules and industry guidelines say that UKI has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions say there is no cover for disablement of any person insured resulting from our contributed to by:

The influence of intoxicating liquor or drugs taken by the Person Insured (other than for drugs taken under medical supervision unless for the treatment of drug or alcohol addiction) or insanity (whether temporary or otherwise)...

This is highlighted in the policy summary as an exclusion and key claim requirement.

I'm not upholding this complaint because:

- I'm persuaded, on balance, that UKI has fairly applied the exclusion to the claim. I'm satisfied they've fairly investigated the claim and concluded the exclusion applies.
- The terms don't specify the level of alcohol which needs to be consumed in order for the claim to be declined. There's no dispute Mr K had consumed alcohol on the relevant day, although his testimony to UKI has not been entirely consistent on this point. So, I don't think the amount of alcohol in Mr K's system is relevant to the

outcome of this complaint. In the circumstances, I'm persuaded it was reasonable for UKI to decline the claim regardless of the amount of alcohol Mr K had consumed. In reaching that conclusion I also bear in mind this is a commercial policy, designed to protect P as a business.

- Mr K says there was a gap between the alcohol consumption and the accident. Mr K's initial testimony to the Financial Ombudsman Service was that he purchased two pocket bottles of whisky in the morning and drank them between 10am and 1pm. He says that the accident didn't happen until much later that day. UKI's notes indicate that the accident occurred when Mr K was going to an off licence. Taking all of the above into account I am persuaded it was reasonable for UKI to conclude that alcohol contributed to the accident, or the accident resulted from it.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 17 April 2025.

Anna Wilshaw
Ombudsman