

The complaint

A complaint has been brought on behalf of a limited company, which I'll refer to as "J", about Accredited Insurance (Europe) Ltd ("Accredited"). J says Accredited unfairly declined a claim under its motor insurance policy following an accident, and that it acted unfairly in relation to the renewal of the policy.

Any reference to Accredited or J in this decision includes their representatives.

What happened

In March 2023, J made a claim under its motor fleet insurance policy, following a road traffic collision involving one of its vehicles. At the scene of the accident, the driver of J's vehicle was given a breath test and the reading confirmed that the driver had been driving whilst over the legal limit for alcohol.

Accredited investigated the claim, but ultimately declined it on the basis of an exclusion in the policy, which said cover wouldn't be provided if the driver was driving over the legal limit for alcohol, was unfit through drink or drugs, or failed to provide a sample when required.

J disputed this and said there was insufficient evidence of the driver being unfit through drink or drugs. And it also said Accredited's renewal terms weren't fair because it had significantly increased J's premiums just before the renewal date. So J made a complaint.

In its response to the complaint, Accredited said the exclusion had been applied fairly, and that J's assertion that the roadside test readings weren't sufficient was related to their application in criminal proceedings and not insurance contracts. In relation to the renewal, it said J's agent did not complete the renewal process in a timely manner and that it hadn't acted unfairly by offering cover on the terms it did, as those terms reflected its assessment of the risk.

J remained unhappy with Accredited's response, so the complaint was referred to this service. Our Investigator considered it, but didn't think it should be upheld. He ultimately agreed that Accredited's reasons for declining the claim and offering the renewal on the terms it did, were fair.

Because J didn't accept our Investigator's view, the complaint has now come to me to decide.

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.

As this is an informal service, I'm not going to respond here to every point or piece of evidence J and Accredited have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both parties that I have considered everything submitted. And having done so, I'm not upholding this complaint. I'll explain why.

- Insurers do not have to apply the criminal burden of proof when carrying out contracts of insurance. Whilst it is accepted that in criminal proceedings the standard of proof is beyond reasonable doubt, this is not a criminal law matter. In order to fairly rely on an exclusion in the insurance policy, an insurer should be satisfied on the balance of probabilities that the exclusion applies.

- Accredited declined the claim on the basis of the following exclusion in the policy:

“We will not provide indemnity for any loss, damage, injury, death or any other liability (other than any obligations we must meet as required by Road Traffic Law) if an accident occurs involving your vehicle and the driver of your vehicle:

13.3.1 is found to be over the prescribed limit for alcohol;

13.3.2 is driving whilst unfit through drink or drugs, whether prescribed or otherwise;

13.3.3 fails to provide a sample of breath, blood or urine when required to do so, without lawful reason.”

- The clause excludes cover where a driver was over the legal limit for alcohol or was unfit to drive due to drinking alcohol. The evidence from the time of the accident includes a police report, which shows the driver’s breath test status was positive. There’s also an account in the timeline of events which shows that the police confirmed to J, over the phone, that the driver had been three or four times over the limit. I think this information, along with the fact that an empty bottle that had been consumed was in the centre console of the vehicle, is sufficient to have indicated, on the balance of probabilities, that the driver was under the influence of alcohol at the time of the accident. It follows therefore that I’m satisfied the exclusion has been fairly applied in this case.
- In terms of the renewal, I can see that Accredited was contacted by J’s broker in mid-March and responded on the same day, providing the broker with the information it had requested. It reminded the broker that there was no indemnity for the claim. I don’t consider it was Accredited’s responsibility to chase the broker to ensure the renewal was completed on time. This would’ve been the broker or J’s responsibility as policyholder.
- Accredited did offer extensions as the renewal was due imminently. The pro-rata cost of cover for a further 14-day extension was based on the new premium. I think this was a fair offer, so that renewal terms could be further discussed or if more time was needed to source cover elsewhere. If Accredited hadn’t offered the initial extension, J would’ve had very little time to source cover and potentially at a much higher cost than it ultimately paid. Whilst the renewal premium was higher than the previous premium, this was directly related to Accredited’s assessment of the risk following the accident, so I don’t consider this unusual or unfair.
- I note there was a condition in the renewal terms which required J to sign a consent and indemnity form to say it would cover third-party costs in relation to the claim made following the accident. J said this wasn’t fair but Accredited maintained it acted fairly and couldn’t renew the policy without this, due to its obligations under the Road Traffic Act. I don’t consider the request to have been unusual in the circumstances as insurers often expect that their third-party costs will be covered in the event that a claim is declined. And I’ve seen nothing to persuade me that this was unfair.
- J decided not to go ahead with the additional extension offered, and ultimately took

out a policy with another insurer. I can see that whilst the premium was lower than Accredited's offer, it was still significantly more than J had paid previously for cover. So I don't think it lost out as a result of Accredited's actions.

- I've considered the additional points J has raised, in response to our Investigator's view, but these haven't changed my mind. I can't see that Accredited was chased or repeatedly asked to provide renewal terms. And there's no evidence to indicate that J lost out financially as a result of renewal terms being provided when they were. I don't consider the legal doctrine of contra proferentem applies here, as the policy terms were clear. And it is our service's well-established approach that the burden of proof is based on the balance of probabilities in cases like these, and our consideration is based on what is fair and reasonable in the circumstances.

So I'm afraid that for the reasons I've explained, I don't consider Accredited to have applied the policy exclusion unfairly in this case, nor do I think it's acted unreasonably in relation to the policy renewal.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 2 March 2025.

Ifrah Malik
Ombudsman