

The complaint

A charity, which I will refer to as T, complains about the handling and settlement of its commercial insurance claim by Royal & Sun Alliance Insurance Limited (RSA).

What happened

Both parties are aware of the circumstances of this complaint. So, the following is intended only as a brief summary. Additionally, whilst particular individuals have been involved on both sides, for the sake of simplicity, I have largely just referred to T and RSA.

T operates a charity shop and had a commercial insurance policy underwritten by RSA. In August 2024, T suffered a burglary and had a large amount of stock and money stolen. The total losses are apparently around £20,000. T claimed under the policy with RSA. Following an investigation into the circumstances, RSA initially said that it was only willing to pay out £500. After reconsidering this, RSA increased this settlement to £3,500, plus £100 for claims handling issues T had experienced.

RSA's position was that it did not consider there had been forced and violent entry into the premises. It said that although there were metal bars across the window that was most likely the route of entry, these had been cut in a previous burglary (prior to T's occupation of the building) and hadn't been repaired. And there was no evidence of the window having been forcibly or violently opened. So, RSA said that the policy exclusions relating to forced and violent entry applied to the Property Damage and Business Interruption sections of the policy. This meant that the only cover that could apply in the circumstances was the Money Insurance section, and the maximum settlement under this was £3,500.

T brought its complaint about this to the Financial Ombudsman Service. However, our Investigator did not recommend the complaint should be upheld. He thought that RSA acted fairly and reasonably by concluding that the most likely point of entry was the window that had been accessed in the previous burglary. And that this did not show signs of new, additional damage. So, he thought it was fair and reasonable for RSA to apply the exclusions in the policy. He also thought it was fair for RSA to limit the settlement of the Money loss to the policy limit. Our Investigator also didn't think RSA needed to do more in terms of how the claim was handled.

T remained unsatisfied. It said that the bars across the window had been checked prior to the burglary and were secure. And that it is possible someone had hidden within the property, then forced their way out after the burglary.

As our Investigator was unable to resolve this complaint, it 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 am not upholding this complaint. I'll explain why.

Before do so, I will just comment that both parties have submitted detailed evidence and arguments. I have considered all of these, but will not comment on each of them. Instead, I will focus on what I consider to be the key issues. This is not intended as a discourtesy, but rather reflects the informal nature of the Ombudsman Service.

As noted above, there are a number areas of potential cover under T's policy. T's losses included money from a safe, and stock from the premises. T has said these losses also caused an interruption to its business.

In terms of the money losses, T's policy has a specific section relating to Money Insurance. However, this says that the limit of liability for any one loss is shown on the policy schedule. T's schedule lists the limit of liability as being £3,500. I appreciate that the initial settlement offer by RSA was less than this. However, ultimately, RSA has paid this sum out. And I consider that this is the maximum that can be claimed under this section for any one incident.

As there was one incident, and RSA has paid out to the limit of liability set by the policy, I am unable to fairly and reasonably require it to do more here.

In terms of the other areas of cover that might apply to the circumstances, both the Property Damage (which would include loss resulting from theft) and the Business Interruption sections contain the following exclusion:

“Damage which does not involve

A) entry to or exit from that part of the Building [solely] occupied by You for the purpose of the Business by forcible and violent means...”

As this is an exclusion, the onus is on RSA to demonstrate that it applies to the circumstances. RSA has provided the comments of its own agent, who visited the premises, as well as reports from the police, who also attended.

RSA's agent says that there was no evidence of damage to the external window, suggesting it had not been forced open – and was instead most likely left open. He also said it had been reported to him that there were issues with damp in the room with this window. The agent noted that the metal bar had been cut and bent at some stage, but that this was showing as rusty two days after the claim was reported.

The police report also said that the entry point was the same window, and through metal window bars which appear not to have been repaired from the previous burglary. It also noted that the room was mouldy.

Whilst I note that T has raised some concerns about what was said to RSA's agent – including that it had not referred to there being damp issues – given this was noted by the police as well, I am persuaded that the above represents an accurate description. Without any signs of forced entry, it seems more likely than not that access via this window was enabled because the window was left unlocked – whether to assist with damp issues or otherwise. There is no evidence that the window was forced. And whilst I note T's comments about the use of a card to open the window, I am persuaded that the most likely explanation is that the window was left unlocked. Certainly, I am not persuaded that force or violence was used to open it.

I have also considered the photos taken both at the time of the previous burglary and in relation to the current claim. Both show the metal bar as having been cut in the same

location and bent into the same position. The images from the current claim also show the bar as being rusted at the point where it has been cut, which I do not consider would have happened in the couple of days between the incident and the photo being taken. So, whilst I note what T has said about having checked these bars, I am persuaded that it is more likely than not that the bar had not been repaired and that it wasn't necessary for this to be cut or bent as part of the current claim event.

I also note T's comments about the thief potentially having hidden in the property and then having forced their way out of the fire door. But whilst this is a possibility, I consider it was fair and reasonable for RSA to have relied upon the evidence from its agent and, in particular, the police about what the likely circumstances were. The written evidence from the police does not refer to this scenario and instead says that the point of entry was the window.

There is also no comment in the reports that the fire door was broken, and it is merely noted that this was not secured. I should say, the reference here to it being secured seemingly refers to there not being a specific lock on this door that would prevent it being opened from the inside. As a fire door, it is necessary that this can be opened easily when there are people on the premises. The advice from the police appears to be that it should have an addition lock fitted for use when the building isn't occupied. Regardless, given the fire door was apparently not secured, it would not have been necessary to use force and violence to open it.

Taking all of this into account, I am persuaded that it was fair and reasonable for RSA to rely on the policy exclusions relating to force and violence to decline these parts of the claim.

I have thought about the investigation RSA carried out into the claim. I appreciate T's comments that its employees felt that they were being interrogated. But it is not unusual for an interview to be required when a claim is being assessed. And I have not been provided with any evidence to demonstrate that RSA's actions were inappropriate.

There were some minor issues with communications. But I do not consider these were material enough to require RSA to pay any compensation for them. And RSA did pay T £100 for having initially limited the settlement of the claim to £500.

So, whilst I appreciate T may remain unsatisfied with this outcome, I am unable to fairly or reasonably ask RSA to do anything more in the circumstances of this complaint.

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 T to accept or reject my decision before 11 April 2025.

Sam Thomas
Ombudsman