

The complaint

Miss L complains about Hiscox Underwriting Limited's response to her business insurance claim.

Hiscox's been represented for the claim. For simplicity I've generally referred to the representative's actions as being Hiscox's own.

What happened

In May 2024 Miss L claimed against her Hiscox business insurance policy. Her café had been damaged by water.

In September 2024, Miss L unsatisfied that Hiscox's hadn't settled the claim raised a complaint. She said it had failed to progress her claim effectively, her property was still being damaged and she was losing revenue from being unable to trade. She asked that Hiscox accept the claim and authorise repairs.

In November 2024 Hiscox issued a complaint final response. It apologised for some avoidable delay and lack of communication. It said the claim hadn't progressed due to a lack of cooperation from Miss L. It explained she had failed to attend a meeting, to validate her claim, with its loss adjuster (W). Hiscox accepted it had made mistakes in regard to the renewal of Miss L's policy. It said it would urgently review her cover and renewal. Hiscox apologised for using an incorrect email address for Miss L. It paid £250 compensation to recognise its service failings.

Miss L wasn't satisfied with that outcome, so referred her complaint to the Financial Ombudsman Service. She said Hiscox's poor handling of the claim had resulted in the café being out of use for seven months - with it continuing to suffer damage. Miss L explained this had caused her financial loss and impacted her health and wellbeing. She added that Hiscox had unreasonably cancelled her cover. To resolve her complaint Miss L asked that Hiscox accept liability for her loss, authorise repairs to her property, cover financial losses incurred because of the business being closed and pay her substantial compensation.

In January 2025 our Investigator issued her assessment of the complaint. She considered complaint points arising from the date of the claim notification to the date of Hiscox's complaint response - early November 2024. She didn't consider issues or events after that date, as she felt Miss L should raise those with Hiscox first. That included Miss L's complaint about Hiscox's November 2024 decision to cancel her cover.

Our Investigator found Hiscox had acted reasonably when requesting various additional information to validate the claim. But she felt it was responsible for some avoidable delay and poor communication. She also found it had provided poor service by failing to take a payment for the policy's renewal, but had apologised and backdated cover to ensure no gap in insurance. The Investigator was of the opinion £250 compensation, already offered, was enough to recognise the impact of Hiscox's errors.

As Miss L didn't accept that proposed outcome the complaint was passed to me to decide. Miss L said the Investigator had made factual errors and her findings and had reached an unfair outcome.

This decision doesn't consider the cancellation of Miss L's policy. It wouldn't be appropriate for me to do so. The cancellation was made on the same date Hiscox issued Miss L's complaint final response, so that final response didn't include a response to her concerns about the decision. In addition, I haven't been provided with Hiscox's reasons for the cancellation. If Miss L would like the cancellation considered by this Service, it would be more appropriate for that to happen under a separate complaint.

Hiscox has, since Miss L's referral of this complaint to this Service, declined the claim. It said Miss L complained about that decision in April 2025. It wouldn't be appropriate for me to consider any concerns about the decline here. First it was made after Hiscox's November 2024 final response letter. Second, I'm not aware of the reasons for the decision. Finally, Miss L hasn't asked this Service to consider the matter.

So this decision focuses on complaint points relevant to events up to November 2024 and responded to by Hiscox in the letter of that date. These include Miss L's concern at the progress of the claim and Hiscox's communications up to that point.

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 Miss L and Hiscox 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 that I have considered everything submitted.

I've first considered Miss L's concern at the progress of her claim up until November 2024. I've considered her helpful timeline and submissions in full, but I've only summarised her position here. She believes Hiscox failed to progress the claim effectively. She's been frustrated by it requesting information it should have requested earlier, she had already provided or was unable to provide. She also feels W's request for an interview was unreasonable.

Miss L's policy, in the event of a claim, requires her to provide Hiscox with any information it may reasonably require and to co-operate fully with any investigation. I've considered if Hiscox acted fairly and in line with his term.

I'm not going to set out in detail the information Hiscox requested from Miss L. But I'm satisfied it requested reasonable information required for validation of the claim. Hiscox has explained it had various concerns about the claim. These included non-disclosure of a flat roof, a lack of clarity on ownership and concern over who it was in contact with (Miss L or her daughter). As a result, W decided an interview with Miss L would be the best way to resolve matters. I'm satisfied it was reasonable to make such a request. Unfortunately, it seems Miss L didn't cooperate with that request.

As Hiscox's various concerns hadn't been answered it was reasonable that it hadn't reached a decision on the claim within the period I'm considering here. So I'm not going to require it to make any payment to Miss L for the various related losses she's referred to.

Hiscox's accepted responsibility for some avoidable delay. I'm not going to run through the timeline in detail. Having considered events, I'm satisfied Hiscox did cause some delay in progress of the claim. However, I'm not persuaded the delay it was responsible for had any significant impact on the absence of a decision on the claim, within the period I'm considering. The main factor appears to have been, as Hiscox has explained, the absence of information necessary for validation.

I also accept Hiscox's communication with Miss L could have been better. As an example, it accepted it used an incorrect email address for her. Miss L was also caused some distress and inconvenience by Hiscox's failures to take a premium payment and process a renewal review.

I've set out above, in summary, the service failings I find Hiscox's responsible for. Miss L would like it to pay her substantial compensation to make up for the poor service she feels she's received. However, I'm satisfied it's already offered enough compensation to recognise the impact of its poor service on her. So I'm not going to require Hiscox to pay any further compensation or to do anything differently.

My final decision

For the reasons given above, I don't require Hiscox Underwriting Limited to pay any additional compensation or to do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 8 September 2025.

Daniel Martin
Ombudsman