

The complaint

M, a limited company complains about what Accelerant Insurance Europe SA/NV UK Branch did after it made a claim on its business protection insurance policy.

What happened

In May 2023 there was a theft of equipment from M's business premises. It claimed on its policy with Accelerant. After investigating Accelerant agreed to pay for a concrete mixer and (following further discussion) a trailer. But it said the policy security conditions hadn't been met in relation to the remaining items (two strimmers and a rock breaker). So it didn't make payment for those. However, it accepted there had been some delay in progressing the claim for which it said it would pay £150.

In her most recent view our investigator agreed that, even if the items in question were stored as M had said, that wouldn't meet the policy terms. In particular she wasn't satisfied that location (a three sided storage shed) constituted a locked building as it had an open front with no shutter. And while the items were said to have been behind a steel fence that didn't extend up to the ceiling and didn't constitute a locked metal container or receptacle.

M didn't agree. It said it was prepared to accept the outcome in relation to the strimmers but not the rock breaker. And it thought it had complied with the conditions of the policy and had gone beyond what was required. It didn't think it was fair of Accelerant to turn down the claim. So I need to reach a final 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.

The relevant rules and industry guidelines say Accelerant has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably.

I've looked first at the terms and conditions of M's policy. I don't think it's in dispute this could potentially cover the theft claim it made (and Accelerant has provided cover for some of the items that were stolen). The issue is whether, for the remaining items, the policy terms in relation to security were met. As M has made clear the outstanding item from its perspective is the rock breaker I've focused on that in this decision.

In relation to 'plant' (which it seems to be accepted the rock breaker would fall within the definition of) a condition contained in the policy schedule says:

Machine attachments power tools hand tools manually powered implements and other unpowered items of Property when not in use shall be retained:

- a) within a locked building built of mainly brick, stone, concrete or other non-combustible materials or*
- b) within a locked metal container or receptacle which must be retained within a locked compound or yard or*

c) within a locked and alarmed vehicle which must be situated within an attended or locked garage, compound or yard

M's position is that the rock breaker was stored in a locked cage within a three sided metal shed (within a locked compound / yard which was covered by CCTV). And it's provided photographs of the facilities in support of that position. It said it had advised the loss adjuster of this from the start of its claim. However, I don't think it was unreasonable Accelerant had concerns as to whether the rock breaker (and other items) were stored in the shed as M says. The loss adjuster's report, which was based on a site visit at which I understand he spoke to M's company director and viewed CCTV footage, says:

"Two miscreants have been observed on the footage, waiting for [company director] to vacate the grounds. They have then cut a hole in the fencing at a blind spot of the CCTV, in the external perimeter fencing, large enough to drive a crew cab through. They have then scaled the fencing into your Insured's yard and attempted to angle grind the padlock of the gate, however they have failed to cut it completely and decided to ram the gate, after having weakened the padlock. The miscreants appear to make a beeline for a specific trailer and concrete mixer. They then appear to grab the closest items to hand, two grass trimmers and a rock hammer, and left the yard". The report goes on to say "All goods were stored in the open, within the Insured's boundary perimeter".

I appreciate M subsequently disputed that and said the goods were stored within a locked cage in the shed. But if that was the case I'm not clear why that wasn't recorded in the loss adjuster's report. It's also not clear the thieves could have gained access to the items in the shed within the time window described in the report. And if that had taken place I'd expect there to be some evidence of how entry to that locked area of the shed was obtained by the thieves (for example damage to the lock or the metal fence). But the photographs M has provided don't evidence that.

Even if M was able to show the rock breaker was stored as it says I don't think that meets the policy terms. I've reviewed the photographs and it's clear the shed was open on a number of sides and doesn't appear capable of being closed. So it wouldn't in itself constitute a locked building. I appreciate M says the items were also within a cage but the photographs indicate that was a steel fence that ran across the shed. And while that was the same height as the shed itself it didn't cover the area below its pitched roof (meaning there was a significant gap below this). I don't think that would meet the policy terms either.

M has argued that storage behind the fence meant the rock breaker was within a locked metal container or receptacle and that was itself within a locked compound. I agree the compound was locked (the thieves had to gain access by cutting through the perimeter fencing). And I accept if it was behind the locked fence that does provide some additional security. But I don't think that could fairly constitute a locked metal container or receptacle. For that to be the case I think it would reasonably need to have been fully enclosed within something more akin to a locked metal shipping container or storage unit. That wasn't the case here. Storing the rock breaker behind the fence meant it was clearly visible and wasn't fully enclosed or secure.

Taking all of that into account I don't think it was unreasonable or unfair of Accelerant to decline the claim on the basis the security condition contained in the policy schedule hadn't been met. And while I agree there were issues with Accelerant's handling of the claim which will have caused M some inconvenience, I think the £150 it's already agreed to pay does enough to put things right here.

My final decision

Accelerant Insurance Europe SA/NV UK Branch has already made an offer to pay £150 to settle the complaint and for the reasons I've explained I think this offer is fair in all the circumstances. So my decision is that Accelerant should pay M £150

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 26 June 2025.

James Park
Ombudsman