DRN-5566851

The complaint

C, a business, has complained about its commercial contents insurer, Accelerant Insurance Europe SA/NV UK Branch which has declined C's claim for items stolen and/or damaged in a fire.

What happened

C has a premises, surrounded by security fencing featuring locked gates and there is also CCTV. In September 2023 the locked gates were breached, access was gained to the site office/storage building, items were stolen and the building was set on fire. C made a claim for the items stolen or damaged. Accelerant declined the claim.

Accelerant said its enquiries had determined that the building accessed by the thieves/arsonists had been opened by use of a key which had been kept in the gutter above the doorway. Accelerant said it didn't think that the key, being kept/left in that location, met with the policy requirement for C to take all reasonable precautions to avoid loss.

When Accelerant put the decline to C's director, C's director said the detail about where the key was kept was not correct. C noted an employee was reported to have given Accelerant the detail about the key's location and a written statement from that employee was provided to 'correct' what Accelerant had previosuly recorded. Accelerant asked its forensic specialist, who had initially spoken to the employee and recorded their comments that the key was in the gutter above the door, for comment. The forensic specialist noted the change in account, but also that the door had been of light timber construction and that it wouldn't have taken much force to breach it, even without a key. Accelerant maintained its decline. C complained to the Financial Ombudsman Service.

Our Investigator thought Accelerant hadn't satisfactorily established the location of the key. He also noted the general site security and the "light timber" structure of the door. He wasn't persuaded Accelerant had established reasonable precautions had not been taken, or that the incident wouldn't have occurred anyway. He said Accelerant should consider the claim, in line with the remaining policy terms and, also noting some poor communication and delay, said it should pay £300 compensation.

C acknowledged the outcome and confirmed it had nothing further to add. Accelerant said it intended to reply and asked for an extension to do so. An extension was granted. The extended deadline passed but Accelerant did not reply further. The complaint was referred for an Ombudsman's 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.

Accelerant has said it has accepted that all the security requirements of the policy were met. But it wasn't happy "all reasonable precautions" had been taken. It said this was because it was informed that the key to the door was kept, or left, in the gutter above the doorway.

I note the detail about the location of the key was given to the forensic specialist who visited site. The specialist spoke with the employee on site who had reportedly secured the site the night before the loss, and been first on site the morning after. The specialist did not and had not planned to formally interview the employee, the arrangement for the specialist to attend site was to meet with a director's representative not the employee. The employee was there to carry out their normal duties, but which I understand were being carried out in the more complex circumstance caused by the fire and theft.

The forensic specialist report does record that the employee said he had locked up the night before, placing the key in the gutter as usual. I can see why, based on that comment, Accelerant had concerns that reasonable precautions had not been taken. But I note Accelerant then chose to rely on those informal comments to decline the claim based on the policy requirement. Upon decline C's director challenged the evidence, providing detail of her own and a written statement from the employee. In that statement the employee explained how they had not been concentrating on the conversation they were having with the forensic specialist. They said they were offering the witness statement to correct things – the key was placed in a key safe, hidden away from the door.

I find the written statement plausible. I note Accelerant's only action then was to return to the forensic specialist for comment. They confirmed the story had changed – but that wasn't in question. But what the forensic specialist also highlighted, was the construction of the door. The forensic specialist felt that would easily have been breached without a key. Accelerant did not seem to give that comment any further consideration and just maintained its decline.

On balance I think C has shown, on the face of it, that its likely all reasonable precautions were taken. I'm certainly not persuaded that Accelerant has presented enough evidence to invalidate C's director's testimony and the written statement of its employee. And Accelerant has also not shown that, if the requirement was breached, that the breach was material to the loss which occurred. I say the latter bearing in mind the other security features of the site which the perpetrator overcame or dismissed and that the forensic specialist viewed the door as easy to breach. I'm satisfied Accelerant's decline of the claim was unfair and unreasonable, so it should consider it.

I note that Accelerant has accepted there was poor communication and delay during its consideration of the claim. At one stage several months went by before Accelerant responded to the detail C had provided contesting the decline. I note Accelerant has apologised. I'm satisfied it should pay £300 compensation as well. This for inconvenience caused to C by Accelerant's unfair actions. I appreciate C's business may have suffered on account of the claim not being settled – but my remedy is for Accelerant to consider the claim. Which means I can't know whether it should always have been settled and/or to what extent. I appreciate that C's director's and staff may have been personally affected by Accelerant's actions, but they are not the policyholder, that is C. So I can only consider the inconvenience caused to C. As I say, for that, Accelerant should pay £300 compensation.

My final decision

I uphold this complaint. I require Accelerant Insurance Europe SA/NV UK Branch, already having accepted that security endorsements on the policy were met, to consider C's claim/claims in line with the remaining terms and conditions of the policy. I also require it to pay £300 compensation.

Under the rules of the Financial Ombudsman Service, I’m required to ask C to accept or reject my decision before 25 September 2025.

Fiona Robinson
Ombudsman