

The complaint

Mrs F and Ms N complain that Society of Lloyd's ("SOL") unfairly declined a claim they made on their Event Insurance policy.

What happened

The background to this complaint is well known to the parties so only I'll provide a brief summary here:

- Mrs F and Ms N were arranging an event for a society they run. They took out an Event Insurance policy underwritten by SOL. The event was cancelled, and they made a claim against the policy.
- SOL declined the claim. This was because they considered several policy exclusions apply, the main one being the cancellation wasn't beyond Mrs F and Ms N's control as the event could have gone ahead (at a loss).
- Mrs F and Ms N asked our Service for an independent review. The Investigator didn't recommend the complaint should be upheld because she thought SOL had declined the claim fairly on the basis the event could have gone ahead.
- Mrs F and Ms N didn't agree. They said, in brief, the cancellation was due to the action(s) of a third-party(s) and outside the control of the society and its partners, so the policy should respond. As an agreement couldn't be reached, I must 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.

Mrs F and Ms N have provided a great deal of details about what happened regarding the event from the initial planning stage to the actions (or lack thereof) of third parties, to the decision to cancel the event before it could go ahead. They say, in effect, they were let down by others which meant the event couldn't go ahead.

Having reviewed the information Mrs F and Ms N supplied to SOL as part of its claim considerations, and more recently in response to the Investigator's recommended outcome, I'm satisfied SOL's conclusion that the event could have gone ahead (at a loss) is a fair one and not contrary to the evidence.

I say this because I'm satisfied the venue was booked, and people were due to attend, but issues with marketing and guest appearances meant enough tickets hadn't been sold to cover overheads. The event was then cancelled before further avoidable expenses (including a food bill) became due in the hope to mitigate losses.

Under the 'What is covered?' section of the policy it says:

“We will reimburse **you** for the **net loss** following the necessary **cancellation, abandonment, disruption** or **rescheduling** of the **event**, which is the sole and direct result of a cause not otherwise excluded which occurs during the **period** and is beyond **your** control and the control of the **participants**.”

Under the ‘What is not covered?’ section of the policy, there are a number of bullet points. SOL says a number of the points could apply but has referred specifically to point 14. I will set out the wording below:

“This policy does not cover any loss directly or indirectly arising out of, contributed to by, or resulting from:

*14) lack of or inadequate receipts, sales or profits of any venture, lack of or inadequate response or inadequate financial or other support or withdrawal of such support from any party, lack of or inadequate attendance or insufficient interest prior to the date and time scheduled for any **event**.”*

I’m satisfied it’s fair and reasonable for SOL to decline the claim based on this exclusion because the cancellation was the result of what the exclusion sets out – a lack of or inadequate receipts, sales or profits of any venture. I have a great deal of sympathy for Mrs F and Ms N. But I must approach this matter objectively. Having done so, I don’t uphold this complaint because I find SOL treated them fairly and reasonably.

Mrs F and Ms N have raised concerns regarding the suitability of the insurance contract. However, this complaint was sold through a broker and so they are responsible for its suitability and for any complaint that it might have been mis-sold.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs F and Ms N to accept or reject my decision before 1 October 2025.

Yoni Smith
Ombudsman