

## **The complaint**

Mr P has complained that Accelerant Insurance UK Limited (“Accelerant”) unfairly declined a claim he made under his insurance backed guarantee.

## **What happened**

In 2021 Mr P was provided with an insurance backed guarantee for his tiled replacement conservatory roof. The builder then ceased trading and Mr P made a claim under the guarantee as the builder had failed to register the works with the local authority as agreed. No Building Control Certificate (“BCC”) was therefore issued for the works.

In order to complete the process to obtain a BCC, Mr P said he’d have to pay a fee to the council for an initial assessment and further hourly charges, as well as additional costs. So he felt this should be covered by his guarantee.

Accelerant didn’t agree. It told Mr P there was no cover under the policy for this situation as there wasn’t evidence of a defect in the insured works, so Mr P made a complaint. In its response to the complaint, Accelerant said the policy wording was very clear – and that for there to be a valid claim there needed to be a physical fault or error in the insured works which were caused by defective workmanship or materials. It maintained its decision to decline the claim.

Mr P didn’t accept Accelerant’s response, so he referred his complaint to this service. Our Investigator considered the complaint but didn’t think it should be upheld. She told the parties that there wasn’t any evidence that the works were defective, as required by the policy terms.

Mr P didn’t agree with our Investigator’s opinion, saying that the lack of a BCC was an error as the works weren’t deemed compliant without the BCC and were therefore incomplete. As Mr P didn’t accept our Investigator’s view, the complaint has now come to me 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.

As this is an informal service, I’m not going to respond here to every point raised by Mr P and Accelerant. Instead, I’ve focused on those I consider to be key or central to the issue in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I’m not upholding this complaint. I’ll explain why.

The insurance industry regulator, the Financial Conduct Authority (FCA), has set out rules and guidance about how insurers should handle claims. These are contained in the ‘Insurance: Conduct of Business Sourcebook’ (ICOBS). ICOBS 8.1 says an insurer must handle claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress; and not unreasonably reject a

claim. I've kept this in mind while considering this complaint together with what I consider to be fair and reasonable in all the circumstances.

And having considered all the available information, I'm not persuaded that the claim has been declined unreasonably. The terms of Mr P's insurance backed guarantee say:

*"GPI agree to indemnify You in respect of the cost of making good a Defect in the Insured Works where the Contractor has Ceased Trading and is consequently unable to rectify such a Defect subject to the terms of the Written Guarantee issued to You. A Defect is considered to be a physical fault or error in the Insured Works which was caused by the defective workmanship of the Contractor or defective materials which were supplied by the Contractor, but which will only form the basis of a claim where it is specifically stated as being covered by the Written Guarantee provided to the Policy Holder by the Contractor."*

Mr P's claim arises from the builder's failure to issue a Building Control Certificate ("BCC") and Mr P says this demonstrates that there was a defect in the works carried out. But he's not actually provided any evidence of any such defect which meets the policy term above. He has made an assumption that, because the BCC wasn't issued before the builder ceased trading, there must be a defect. He may well be right about this, but he hasn't provided any evidence of the defect itself.

When making a claim on an insurance policy, it is for the insured – so in this case Mr P – to demonstrate he's suffered a loss covered by the policy. If he can do so, then Accelerant will need to accept the claim unless it can show it can fairly rely on a valid exclusion to decline it.

But I'm not satisfied that Mr P has been able to show he's got a valid claim, because he hasn't provided evidence of a physical defect in the insured works which meets all parts of the policy definition. And insurance policies aren't designed to cover every eventuality or situation. An insurer will decide which risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

Mr P's guarantee clearly defines a defect as *"a physical fault or error in the Insured Works"*. Mr P's view is that this would include the failure by the builder to issue a BCC. However, the definition goes on to say the defect must be *"caused by the defective workmanship of the Contractor or defective materials which were supplied by the Contractor"*. And, as I've mentioned, I've not seen any evidence of defective workmanship or materials.

Mr P has also said that the insured works included certification. But this view isn't supported by the policy definition of Insured Works, which is *"the work described in the Policy Schedule, which was carried out by the Contractor on Your behalf and can be evidenced by a contract and/or specification of work; and for which the Written Guarantee was issued to You in respect of"*.

It's clear from that definition that the Insured Works cannot include certification, as the works have to have been *"carried out by the Contractor"* to be covered. As the lack of the BCC isn't an example of work that was carried out, and isn't currently linked to any proven defective workmanship, or any proven defective materials, I can't safely conclude that Mr P has a valid claim under the policy. He's asked whether further evidence would change this – and it's possible that it would – particularly if that evidence can show that there was a defect in the insured works that the contractor carried out. If Mr P is able to obtain such evidence, he should present it to Accelerant and I'd expect Accelerant to fairly consider it and respond to Mr P in a timely manner.

As it stands however, I'm unable to uphold this complaint, because I've seen insufficient evidence of a physical defect in the insured works, and so I'm not persuaded that Accelerant has unfairly declined the claim on the basis of the information currently available.

**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 Mr P to accept or reject my decision before 6 October 2025.

Ifrah Malik  
**Ombudsman**