

The complaint

Mr H, a sole trader trading as M, has complained that his insurer Royal & Sun Alliance Insurance Limited (RSA'), turned down a claim he made on his tradespeople & homeworkers policy after one of his diggers was stolen.

What happened

Mr H made a claim on his policy with RSA in November 2024 after one of his diggers was stolen from his premises. Mr H said the digger was parked in his yard the evening before the theft and when he woke up the next morning it was missing.

RSA assessed the claim and ultimately said it wasn't covered because, under the terms of the policy, the digger should have been stored in a locked premises, compound or garage. At the time of the theft, it was on open land.

Mr H didn't agree and complained but RSA didn't change its decision.

Mr H then brought his complaint to our service. He said as a result of RSA's actions he lost jobs, money and time. He also said he found the experience really stressful and felt he was being treated unfairly by RSA. He said the policy states that the digger could temporarily be off the premises.

One of our investigators reviewed the complaint but didn't think RSA had to take any further action. Mr H referred to other sections within the policy which he felt applied to his situation, but our investigator didn't agree.

Mr H asked for the matter to be reviewed by an ombudsman and so it was passed to me to 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.

RSA rejected Mr H's claim under Section 2- Own Plant which covers "Damage to Own Plant occurring whilst in Your custody and control". Under this section, "damage to own plant while such property is away from any contract site unless it is temporarily stored in a locked premises, compound or garage...." is not covered.

The policy includes the following definitions:

- "Damage" is defined as "physical loss, destruction or damage".

- “Own Plant” is defined as “Constructional plant and equipment and Temporary Buildings for use in connection with the Contracts excluding Hired-In Plant and Tools”.
- “Contract(s)” are “All constructional work undertaken by You in the course of the Business at any Contract site within the Territorial Limits”.

My understanding is that this particular exclusion means that while the digger, which falls under the definition of “own plant”, is not being used at a contract site i.e. a client’s site or anywhere where the digger is being used for Mr H’s business it must be stored in a locked premises, compound or garage.

The exclusion is listed in the “Own Plant” section of the policy and appears in a column next to “what is covered” under the title “what is not covered”. I think it is stated quite clearly within the policy and I think it is fair and reasonable for RSA to rely on it.

When Mr H reported the claim, he said the digger was at his own property and wasn’t locked away. He provided photographs which showed the digger being parked in his yard. Based on this, I think RSA’s decision to decline the claim is in line with its policy terms. I also think it is more likely than not that the digger not being in a locked premises etc was material to the loss and increased the likelihood of the loss. So, I don’t think RSA needs to take further action.

Mr H said that the claim should have been covered under other sections of the policy namely an extension to Section 2 which refers to public liability claims and Section 2 extension 6 which relates to defective premises.

I have considered the sections above and I regret to disappoint Mr H but I don’t think either of those sections would apply in these circumstances. The public liability section relates to claims that could be potentially made against him if for example he causes injury to someone or damages their property. I also don’t think there are allegations that Mr H caused injury or damage to property because his premises were defective.

Mr H also referred to one of the exclusions under the “Own Plant” section which excludes “damage to own plant while such property is away from any contract site unless it is temporarily... in transit but excluding... any loss from any vehicle which is away from the site of any contract between the hours of 18:00 and 8:00 unless such vehicle is contained in a securely locked building or guarded security park”. I don’t think this section would apply as it applies to a loss from (my emphasis) the vehicle not loss of the vehicle. So, it would apply if something was taken from the digger subject to other exclusions. And I also don’t think the digger was in transit at the time.

I appreciate Mr H will be disappointed with my decision. I note that this has been a very stressful time for him, particularly due to the circumstances of the theft and also because this is impacting his work. But for the reasons I have given above I don’t think the policy covers his claim in these specific circumstances. So, I don’t think RSA needs to take any further action.

My final decision

For the reasons above I have decided not to uphold this complaint.

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

Anastasia Serdari
Ombudsman