

## **The complaint**

Mr G's complaint is about the handling of a claim under his "shop insurance" policy provided by Accelerant Insurance Europe SA/NV UK Branch.

Accelerant is the underwriter of this policy, i.e. the insurer. Part of this complaint concerns the actions of the loss adjuster agents it used to deal with the claim and complaint on its behalf. As Accelerant accepts it is accountable for the actions of the agent, in my decision, any reference to Accelerant includes the actions of the loss adjusters.

## **What happened**

There was a fire in the building in which Mr G's shop is located on 5 December 2022. Mr G's policy with Accelerant provided cover for the fixtures and fittings, shop front, stock and business interruption while the shop was restored. Accelerant appointed loss adjusters to deal on its behalf with Mr G's claim for these losses.

The loss adjusters gathered the information they needed from Mr G about the cost of replacing the front shutters, counters and shelving, stock as well as his previous years' accounts. There was some initial confusion about the cover for the cleaning costs and damage to the fixtures and fittings, as the loss adjusters said they'd appoint a buildings surveyor. However, Mr G's policy with Accelerant did not cover the buildings. Mr G's buildings policy had lapsed, so he had to fund the cleaning and repairs to the shop building himself.

In October 2023, the loss adjusters made an offer to Mr G of £32,073.87 to settle the claim for the stock-in-trade, fixtures and fittings and shop front. They said the business interruption part of the claim was still under review.

Mr G says that while he was not happy with the offer, he accepted it as he wanted to get his business open again. However, Mr G says the settlement was not paid. In December 2023, Mr G complained about the progress of his claim and that the loss adjusters had said they would deal with cleaning the shop and repairs. Accelerant's loss adjusters answered the complaint in January 2024.

The loss adjusters accepted the claim had stalled in December 2022 over the Christmas period but said that the relevant experts were appointed in January 2023. They also accepted they'd caused confusion about the elements of damage that would have fallen under the buildings insurance, as they had told Mr G they would appoint a building surveyor, however, they said this was so they could assess how long the business interruption claim would reasonably be for and they had confirmed in May 2023 that Mr G should progress with the buildings repairs himself. The loss adjusters said they had then requested further information in support of the contents and business interruption claim but accepted there were delays in its handling. They offered Mr G £500 compensation for the delays and confusion regarding the buildings damage.

The loss adjusters also said they had made the offer for settlement of the contents of the shop in October 2023 but that Accelerant had then raised concerns over some information

provided and asked for further information. Accelerant was concerned that some items had been underinsured. Accelerant said the claim could not be progressed while this was outstanding.

Mr G was not happy with Accelerant's response to his complaint, so referred the matter to us. Mr G has still not received any payment in settlement of his claim and has not had any further updates on his claim.

Mr G made a number of points in support of his claim. I have considered everything he has said but have summarised his main points below:

- He lost phone case covers in the fire, which he sells in the shop and still owes more than £5,000 to the supplier of these on credit. These were not included in the stock-in-trade offer made in October 2023 but he wants them covered.
- He wants the business interruption claim paid for the total time he was closed, rather than the 12 months provided under the policy, as he has not been able to reopen due to Accelerant's delays.
- He has lost considerable customer goodwill and half his customers, as he has not been able to reopen. He should be compensated for this in the sum of at least £100,000.
- He has called and emailed the loss adjusters every day but they do not respond to him.
- Accelerant has put him and his family through considerable distress and emotional trauma and he asks for compensation for that also.

One of our Investigators looked into the matter. She was satisfied the policy did not provide cover for the buildings, so Accelerant was not responsible for repairing the fire damage to the shop itself. The Investigator said there was no good reason that the contents claim amount agreed in October 2023 had still not been paid, she therefore said this should be paid in line with the offer and that Accelerant should assess the business interruption claim. The Investigator also said Accelerant should pay an additional £250 (so a total of £750) compensation for the trouble caused by its delays and its handling of the claim.

The Investigator asked Accelerant to provide an update on the claim in August 2024 and again in March 2025. Accelerant said it had got in touch with the loss adjusters to get and update, and asked for more time, but no further information was provided.

As the Investigator was unable to resolve the complaint, it was passed to me.

I issued a provisional decision on the matter in April 2025. I noted the claim has been outstanding since December 2022. The loss adjusters' own investigation was that there had been around 30 weeks delay on its part up to the point Mr G complained. Having considered the evidence provided to me, I agreed that this was a reasonable assessment.

I also noted that Mr G had provided all the information requested of him by the loss adjusters to enable them to assess his claim. The loss adjusters had made an offer for the contents parts of the claim in October 2023. However, an internal email from Accelerant dated November 2023 to the loss adjusters disputed some of their recommendations and investigation into the claim. In particular, Accelerant said the sums insured for the fixtures and fittings and shop front were not adequate, (and it said it was implied that there was possibly underinsurance for the stock as well) so asked the loss adjusters to recalculate the claim.

While this was mentioned briefly in the final response letter to Mr G in January 2024, I set out that I could not see any evidence that this was explained to Mr G fully and more

importantly any evidence that the claim has been recalculated, or progressed in any way, since then. And no interim payment had been made pending recalculation of the claim.

As mentioned above, Accelerant was asked for an update on this and confirmation of recalculation of the claim settlement but it did not provide any further information.

Given the concerns about the sums insured, I provisionally decided that Accelerant should recalculate the claim for the contents and make its offer of settlement as a matter of priority. I also said that the business interruption part of the claim, which has not been progressed in any substantive way at all, despite Mr G providing his accounts in early 2023, should be assessed promptly.

With regard to the mobile phone covers, I noted that Mr G said that he also sold these in the shop but they were not included in the stock-in-trade figure proposed by the loss adjusters. The loss adjusters said that the phone accessory business was run as a separate legal entity, so would not be covered under this policy which only covers the other parts of the store. I said that I have not seen anything persuasive that the policy with Accelerant was taken to also cover phone accessory sales activities in the store, so provisionally decided that, on the evidence available, I did not consider that I could require Accelerant to also pay this loss.

I also considered whether additional compensation for the handling of the claim was warranted. I set out that I considered the handling for the claim generally has been extremely poor in my opinion and far below the level of service Mr G was reasonably entitled to expect. In particular, to the date of the decision the delays have been over two years, which is not acceptable.

With regard to the loss of custom and period of closure beyond the 12 month policy limit, I said

“Mr G says he should be compensated for loss of customer base in the sum of £100,000. I have seen nothing to support this figure, or that this was due solely to the delays on Accelerant’s part. It is also important to bear in mind that Mr G’s premises were significantly damaged and would have been closed for some time, even if there had been no delays caused by Accelerant. I do not therefore consider I can make such an award.

Mr G also says he should receive cover for business interruption losses for the entire period he was closed. I do not know when he was able to reopen, although I understand he has done so. I have considered what Mr G has said. I acknowledge that the delay in paying the settlement due under the policy is likely to have impacted his ability to reopen. However, it also seems to me that there would have been other factors involved. In particular, Mr G had to pay for the buildings repairs and if the underinsurance is as Accelerant says then a proportion of the cost of the shop front and fixtures and fittings would have also fallen to him.

Given this, I cannot therefore safely conclude, on the evidence currently available to me, that the entire period of closure was due solely to Accelerant’s handling of the claim. However, until the claims are properly assessed by Accelerant, I cannot make a reasonable assessment of the financial loss caused to Mr G, if any. Further evidence about this can be provided in response to this provisional decision.

However, I accept that the handling of the claim so far has caused distress and inconvenience to Mr G. Accelerant acknowledged significant delays in response to Mr G’s complaint and offered £500 for this in January 2024 but since then nothing

has progressed.

Having considered everything carefully, I think the compensation to Mr G should be increased further and the sum of £1,250 is more appropriate. I stress this is intended to reflect the impact on Mr G of the confusion caused regarding the buildings damage and the distress and inconvenience caused to him by the delays in handling his claim so far, including the time spent contacting the loss adjusters. It is not to compensate Mr G for the possibility that he could have reopened sooner if the claim had been settled in a reasonable time and the prolonging of any financial difficulty caused by the fire and impact on his business, which will have to be considered once Accelerant has settled the claim. Again, both parties can provide further information about this in response to this provisional decision.”

I invited both parties to respond to my provisional decision with any further information or evidence they wanted considered.

Accelerant did not respond.

Mr G responded and said he provided everything that Accelerant asked for promptly, so he should be covered for the entire period he was closed, as it was due to Accelerant’s delays that he could not reopen. Mr G also said again he should be compensated for loss of custom; he said it is obvious from the months after he reopened that he has lost custom as a result of being closed for so long and is about 40% down on previous earnings.

Mr G also said he and his wife were in the process of clearing the damaged stock and debris from the shop when Accelerant arrived and told him they would arrange and pay for the cleaning of the fire damage but then said they would not pay for cleaning the shop, only the items insured and nothing was done. Then he was misled about the building repair and it was several months later that he was told they could go ahead with the cleaning. It took months to remove the soot and smell and he reopened in July 2024.

As Accelerant did not respond to my first provisional decision and there was no indication that it had taken any steps to progress the claim, I considered matters again. Given the lack of response from Accelerant and that the claim has not progressed since December 2023, I decided to change my initial findings. I issued a second provisional decision in June 2025. I have set out my findings below:

“While I acknowledged in my previous provisional decision that there was an apparent underinsurance which might allow Accelerant to adjust the offer made in October 2023, it has not taken any steps to do so, even in response to my provisional decision which it has not even acknowledged. I was hoping that my previous provisional decision would prompt Accelerant to take these steps, so that the correct settlement could be calculated and I could make a final decision with the right information. However, given the inordinate delays on Accelerant’s part and astonishing lack of any progress on the claim since November 2023, it seems to me entirely unfair to leave Mr G in a situation where he is still having to wait for Accelerant to take any action on his claim.

Therefore, having given this further thought, it seems to me that, even though I cannot be certain what the correct settlement figure is, it would leave Mr G in an ongoing difficult situation, with no indication from Accelerant as to when it might progress his claim, if I do not make a direction for a payment to be made to him. I therefore intend to change my provisional findings.

While the settlement offered in October 2023 may not be the correct figure, it is the

amount offered to Mr G based on Accelerant's consideration of the evidence he provided to support the claim. Accelerant has not taken any steps to reassess this based on the underinsurance it raised, and has not put the grounds for saying there is underinsurance to Mr G.

Mr G says he was not happy with the offer at the time but accepted it. However, I have not seen any reliable evidence that there are other items that should have been added to this.

And Mr G says he accepts my provisional findings about the mobile phone accessories, so I see no reason to change my findings that these are not covered.

Therefore, in the absence of any reliable evidence about the alleged underinsurance, it seems to me that Accelerant should pay the £32,073.87 previously offered in respect of the shop contents and stock. Accelerant should also add interest to this amount at our usual rate.

#### Business Interruption claim

Mr G's policy also included cover for business interruption, as a result of an insured event.

There is no dispute, as far as I am aware that this would fall for cover. However, I note the last communications from Accelerant to Mr G about this were in late 2023.

The business interruption section of the policy says:

*"In the event of Damage to Property used by You at the Premises occupied by You for the purposes of the Business for which We have admitted liability under Sections 1 2 or 4 of this Policy causing an interruption or interference to the Business which results in a reduction in the Gross Profit We will indemnify You for:*

- a) the amount by which the Gross Profit during the Indemnity Period as a result of the Damage falls short of the Gross Profit which would have been received during the Indemnity Period had no Damage occurred;*
- b) the Increased Cost of Working for the sole purpose of avoiding or diminishing the reduction in Gross Profit during the Indemnity Period but not more than the loss avoided under (a);*
- c) auditors or accountants charges reasonably incurred for producing and certifying details of a claim under this Section;*

*less any sum saved during the Indemnity Period in respect of charges or Business expenses payable out of Gross Profit which cease or are reduced as a result of the Damage."*

Mr G provided his accounts in 2023 but Accelerant has not progressed this aspect of the claim at all as far as I can see.

Again, this puts me in a difficult position but it seems unfair to me that Mr G should not have some movement on this part of his claim.

I have therefore considered carefully whether I can reach a reasonable estimation of the value of this part of the claim, based on the limited information I have, in order to move this forward for Mr G. This is a rough and ready estimate on my part and is the

best I can do on the evidence currently before me. Either party can produce further and better evidence in response to this decision if needs be.

The policy provided cover for business interruption for a maximum of 12 months from the date of the loss. I know Mr G says he could not reopen for another six months after that and I will address that below.

The evidence available is that it is likely building repairs and cleaning would have likely ... taken a few months. However, I note there were considerable delays on Accelerant's part and confusion about the cleaning and repairs, and therefore delays in Mr G being able to proceed with that once Accelerant told him in May 2023 that it would not be responsible for this after all. There was also a lack of any interim payment to allow purchase of stock. Given this, I think it is reasonable to conclude that Accelerant should provide indemnity for the full 12 month period from the date of the loss available under the policy. I know Mr G says he could not reopen for another six months after that and I will address that further below.

I can see from Mr G's accounts that the gross profit in was £111,013 in 2021. I can see reference to Mr G providing further accounts to the loss adjusters and I have seen some sales figures from 2022 but I do not have any other completed year's accounts.

I think it is reasonable to assume that the gross profit during the period the shop was closed was zero. However, there would also have been some business expenses saved during the period the shop was closed, such as travel, utilities and wages. I do note Mr G referred to still paying staff wages at one point but there is no evidence about how long he continued paying wages and I think in the absence of any other evidence it is reasonable to assume that he did not continue to pay wages for the entire time after the shop was shut.

The total for staff costs and other charges in 2021 were just over £87,000. Some of these costs would likely have continued for Mr G while the shop was closed, such as the bank charges, insurance and legal and professional costs. These amount to just under £15,500 in 2021. There may be some other expenses that continued and also these may not have been the same for the year 2022 and 2023.

However, using these figures it seems to me that the gross profit less business expenses saved in the 12 months after the fire, based on 2021 figures, would have been just under £40,000.

As mentioned above, Mr G did provide Accelerant with some accounts for 2022. Having received those, the loss adjusters estimated a reserve of £40,000 for the business interruption loss.

Therefore, having considered everything, I consider it would be reasonable for Accelerant to pay Mr G £40,000 for the business interruption claim for the 12 months from the date of the fire.

I can see that Mr G provided his accounts to Accelerant in February 2023, so I think it would have been reasonable for Accelerant to have assessed the business interruption part of the claim within around a month after this (so three months after the claim was made) and to have made interim payments starting then and on a monthly basis thereafter, as the claim would have been ongoing.

So, it seems to me the £40,000 total should be divided and apportioned, so that

£3,333.33 should have been paid in March 2023, for the losses from December 2022 to January 2023, and then £3,333.33 paid to Mr G for each month thereafter until the end of the 12 month indemnity period. As I think the first monthly interim payment should have been made three months after the claim was made, interest at our usual rate should be paid for the first interim payment (of £3,333.33) from March 2023, and interest on each of the remaining monthly interim payments one month after each month's loss.

Again, this is the best I can do on the evidence available. Mr G does not have to accept this if he does not think it is correct and either party can provide further evidence if they wish.

Should Accelerant pay for the continued business interruption beyond the indemnity period of 12 months?

Mr G says he was unable to reopen for round 18 months due to Accelerant's delays and therefore he should be paid for the business interruption for the entire period he was closed (*i.e.* December 2022 to July 2024) and not just the 12 months provided by the policy.

As stated in my provisional decision, I acknowledge that the delay in paying the settlement due under the policy is likely to have impacted Mr G's ability to reopen. And the delay in him being able to start cleaning the shop and arranging the repairs was due to Accelerant's misinformation to him at the beginning of the claim.

However, it also seems to me that there would have been other factors involved. In particular, Mr G had to pay for the buildings repairs and, if the underinsurance is as Accelerant says, then a proportion of the cost of the shop front and fixtures and fittings would have also fallen to him. And I note Mr G says it took many months to clean the premises properly in order to reopen.

Given this, I cannot therefore safely conclude, on the evidence currently available to me, that the entire period of closure was due solely to Accelerant's handling of the claim. Although, having said that, it seems likely that they caused the period of closure to be longer than it would otherwise have been. I cannot be certain how much sooner this might have been achieved if there had not been any delays by Accelerant.

Again, it is very difficult on the evidence currently available to make any accurate assessment.

In addition, looking at the matter as a whole, it seems to me that as there is potentially an underinsurance, which might result in a reduction of the contents and stock claim (which I have not attempted to assess) this would offset some of the additional losses Mr G suffered as a result of Accelerant's delays.

Weighing all these factors together, I do not therefore intend to make any separate award for the period Mr G was still closed after the end of the 12 month indemnity period. Again, Mr G can provide further evidence if he wants.

Loss of custom since reopening

Mr G says takings are still down from before the fire due to the time he was closed. I did consider this in my previous provisional decision. I noted that Mr G would have been closed for some time anyway as a result of the fire, so there would have been

an impact on his customer base because of this, which cannot be attributed to Accelerant. I therefore remain of the opinion that I do not consider there is enough evidence for me to make any award in this regard.

### Compensation

Having considered everything carefully, I remain of the opinion that Mr G should be compensated for the confusion caused regarding the buildings damage and the distress and inconvenience caused to him by the delays in handling his claim so far, including his time spent chasing the loss adjusters. I also remain of the opinion that the sum of £1,250 is appropriate for this.

### **My provisional decision**

I intend to uphold this complaint against Accelerant Insurance Europe SA/NV UK Branch and require it to do the following:

1. Meet the claim for contents and stock in accordance with its offer made in 2023, of £32,073.87, together with interest at 8% simple per annum from the date the offer was made to the date of reimbursement.
2. Pay £40,000 in respect of the business interruption claim, together with interest at 8% simple per annum on the first month's amount (i.e. one 12th of £40,000) from three months after the claim was made, the second month's amount from four months after the claim was made and so on until the end of the 12 month indemnity limit.
3. Pay Mr G the sum of £1,250 compensation for the distress and inconvenience caused by its handling of the claim."

### **Responses to my second provisional decision**

I invited both parties to respond to my second provisional decision with any further information or evidence they want considered.

Accelerant acknowledged receipt of the decision and said it was trying to get some information from its loss adjusters. However, it has not provided any further information.

Mr G has confirmed he accepts my provisional decision. However he says he thinks the interest should be paid until he is actually paid the money and asks that I put a deadline by which Accelerant has to pay the settlement, given the delays so far.

### **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 Mr G accepts my second provisional decision and Accelerant has not responded, I see no reason to change my findings. I remain of the opinion that Accelerant should settle the contents claim for the £32,073.87 it offered in October 2023, should pay the business interruption claim in the total amount of £40,000 and compensation of £1,250.

I provisionally decided Accelerant should also pay interest on the amounts to be paid to Mr G. I set out that, if the business interruption claim had been dealt with in a reasonable time, it would likely have been paid in monthly instalments of £3,333, starting three months after the claim was made (i.e. March 2023, for the losses from December 2022 to January 2023) and then £3,333.33 paid to Mr G for each month thereafter until the end of the 12



month indemnity period. So there would have been 12 monthly instalments of £3,333 totalling £40,000 for the 12 months business interruption from December 2022 to December 2023. To be clear, the interest should be paid for the period starting on the date each instalment should reasonably have been paid to Mr G, to the date Mr G is actually paid.

Mr G has also asked that I set a deadline for Accelerant to pay the settlement. I appreciate his concerns about this, given the lack of contact from Accelerant, but I cannot set a deadline. However, Accelerant is required to comply with the decision within a reasonable time and if it does not do so, Mr G can inform the Investigator. Interest will continue to accrue until settlement is made.

### **My final decision**

I uphold this complaint against Accelerant Insurance Europe SA/NV UK Branch and require it to do the following:

1. Meet the claim for contents and stock in accordance with its offer made in 2023, of £32,073.87, together with interest at 8% simple per annum from the date the offer was made to the date of reimbursement.
2. Pay £40,000 in respect of the business interruption claim, together with interest at 8% simple per annum on the first month's amount (*i.e.* one 12th of £40,000) from three months after the claim was made, the second month's amount from four months after the claim was made and so on until the end of the 12 month indemnity limit, to the date of reimbursement.
3. Pay Mr G the sum of £1,250 compensation for the distress and inconvenience caused by its handling of the claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 23 July 2025.

Harriet McCarthy  
**Ombudsman**