

The complaint

A limited company, which I will refer to as T, complains about the handling and settlement of its business interruption insurance claim, made as a result of the COVID-19 pandemic, by Hiscox Insurance Company Limited.

What happened

The following is intended only as a summary. Additionally, although both parties have been represented in the claim and complaint process, for the sake of simplicity, I have just referred to T and Hiscox.

T operates as a social club, and held a commercial insurance policy underwritten by Hiscox. In 2020, T's business was impacted by the government-imposed restrictions relating to the COVID-19 pandemic. T made claims for this on the policy that was initially declined. However, following a test case in the Supreme Court, Hiscox confirmed that the policy would respond to the circumstances of T's claims.

In February 2021, Hiscox asked T to provide information to support its claims, including certain financial documents. Some information was provided in 2021. And then in August 2022, T provided what has been referred to as a quantum report. Further documents were provided in October 2022, though Hiscox has said these were not all the documents it needed or had requested.

Hiscox assessed the claims on the basis of these submissions and, in February 2023 made a settlement offer of around £33,000 including interest. Hiscox also offered £500 for any impact T had experienced with Hiscox's claim handling. Hiscox said that it would consider any further information and documents provided within 28 days.

T said that it would be providing further information, and did this in June 2023. Hiscox responded, saying that the further information provided did not alter its position on the claim. Hiscox also said that it would not be prepared to reopen the claim unless T was able to particularise in detail why it considered Hiscox's assessment was incorrect by referencing specific issues within the calculation, and providing financial information to support this.

T complained about this. It said that it had been asked to provide documents, and when these were provided Hiscox should consider them and come back with an appropriate claim valuation. T did not consider it was for it to show why these documents changed the position.

T brought its complaint to the Financial Ombudsman Service. However, our Investigator did not recommend the complaint be upheld. He thought that Hiscox had acted reasonably by saying T needed to explain why it disagreed with the settlement that had been offered, and how this was evidenced by the further information provided.

T said that Hiscox had asked for the documents that it had provided in June 2023, and that it ought not to have closed the claim. It also said that its delays in providing this information were not excessive, especially given the length of time Hiscox had taken to progress the claim. T also said that it had provided details of how the documents would be utilised within

the valuation of the settlement. And that Hiscox should not just refuse to consider these.

As our Investigator was unable to resolve the complaint, it has been passed to me for a 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.

Having done so, I am not upholding this complaint. I've explained why below.

Firstly, I will just repeat that the above is a summary only. Detailed submissions and arguments have been provided, which I have considered in full. However, within this decision, I have not addressed each point raised. Instead, I have focused on what I consider to be the key issues. This is not intended as a discourtesy, rather it reflects the informal nature of the Financial Ombudsman.

When a claim is made, it is largely for an insurer to determine what evidence is needed to assess that claim. This should not prevent a claimant supplying other evidence that it considers relevant. And the insurer's requests should not be unduly onerous. But unless the evidence the insurer reasonably requires is provided, insurers may be within their rights to decline claims or settle them using what evidence it does have. It is also reasonable that requests for information are complied with in a reasonable timeframe.

I do note there have been a number of points raised around the specific timeline on this particular claim. I don't intend to discuss these in detail. But, fundamentally, Hiscox seems to have requested specific evidence at a reasonably early stage of the claim process (following the Supreme Court judgment in the FCA test case). And whilst a report was provided to Hiscox, it doesn't seem that the evidence behind that report was provided. I think it would be reasonable for this evidence to be required/requested.

As I say, if evidence that has been requested is not supplied, a claim process may reach a stage where an insurer can reach a settlement offer using the evidence available. This is what Hiscox has done in this case. And I do not consider its actions here to be unreasonable.

The key question is what should then have happened.

T is unhappy that the claim was closed. But, in my view, whether the claim is logged as open or closed isn't the fundamental issue. The issue really is whether T has done anything that requires Hiscox to take further action above that which it already has.

Where additional evidence is provided after an initial settlement offer, as long as this is within a reasonable timeframe, I would expect an insurer to consider that evidence – whether or not the claim was closed.

In this case, Hiscox has said it "determined that the documents provided in [June 2023] enabled Hiscox to verify its assessment of [T's] Claim but would have no impact on a further assessment." This was because there was very little information provided that Hiscox had not already seen or taken into account when reaching the February 2023 settlement offer.

Hiscox has explained the documents provided and why they offered little further information. So, it seems evident that Hiscox has considered the evidence provided. It has then concluded that this did not change its settlement offer.

T on the other hand has not explained why the settlement offer is not appropriate. Nor has it explained how the additional evidence demonstrates this.

Taking this into account, I do not consider that it would be fair or reasonable for me to direct Hiscox to do more in the circumstances of this complaint.

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 T to accept or reject my decision before 10 December 2025.

Sam Thomas
Ombudsman