

The complaint

M, a company, complains about a claim it made on its Hiscox Underwriting Limited ('Hiscox') business protection policy.

M says Hiscox treated it unfairly.

M's complaint is brought by Mr M, but I shall refer to all of his submissions as if they have been made by M for ease of reference.

All references to Hiscox in this decision include their claims handlers.

What happened

The background to this complaint is well known to both parties so I won't repeat it again here. Instead, I'll focus on giving my reasons for my decision. The matters I will be commenting on are those that were initially brought by M to the Financial Ombudsman Service as part of this specific complaint and answered by Hiscox. M has introduced a number of other complaint points since then but as the investigator explained, I won't be addressing them. If there are any M has not raised separately with Hiscox and wishes to do so then it is entitled to do that and then raise this as a different complaint with this Service once Hiscox has answered it or 8 weeks have elapsed.

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 won't be upholding M's complaint. Before I explain why, I wish to acknowledge the volume of submissions M has made and the evidence it has sought to rely on, including various call recordings and several iterations of the matters it is unhappy about. Many of those submissions run to many of pages. Whilst I have considered everything M has said, I will not be addressing it all in this decision. That's not intended to be disrespectful. Rather it's representative of the informal nature of the Financial Ombudsman Service. Instead, I'll focus on the crux of M's complaint, namely whether Hiscox did anything wrong in how it handled M's claim.

Claim for Loss of Earnings and Business Interruption

From what I've seen these claims were not properly put to Hiscox until October 2023, following the water company instructing M to close its business whilst it was carrying out repairs to its pipework under the premises M was operating out of.

M is unhappy about several ways in which Hiscox handled its claim. One of its concerns is that Hiscox withheld information from it during the period in which it considered M's claim. I've looked at what M has said and its wider submissions about this. Throughout the claim Hiscox was in touch with the water company and loss adjuster to understand the full extent of the claim, ascertain what payments the water company had made to M, and obtain further

information about what that was in respect of. I appreciate M wanted full transparency about these communications from Hiscox, but I don't think it was entitled to it. As an insurer it was up to Hiscox to establish whether there was a claim that was capable of cover.

In this case Hiscox was provided with information to support that some sums were paid to M in respect of business interruption by the water company. Hiscox therefore sought to establish what those sums related to and the period of interruption this covered. This was reasonable. Hiscox were being asked to pay a claim for business interruption. We wouldn't expect them to pay a claim in circumstances where another party has already compensated M for this. As such Hiscox was entitled to make enquiries with both its loss adjuster and the water company without further reference to M, nor did it need to provide M with an explanation about what its position was until it had crystallised this. So, Hiscox didn't need to supply M with copies of the emails from the water company confirming what sums it said it had paid M. That said I can see that Hiscox did keep M updated about the enquiries it was making in the main and therefore I'm not persuaded that it failed to provide M with any information it should have during this period. And when M pressed Hiscox for a breakdown of the water company's payment to it, I think Hiscox were entitled to direct M to the water company as this was a payment made to M by that company. So, it was right that M should obtain that information from the source the payment came from.

M is also unhappy that Hiscox failed to provide it with information about special recovery team. Looking at the evidence on this issue, I can see that Hiscox were considering whether to bring a claim against the water company themselves for the losses they were looking to pay M. That's quite separate from M's claim and something that Hiscox were entitled to consider. They didn't need to disclose details of this to M, although I appreciate that this would have been a point of interest to M given how invested it was in the loss caused to it by the water company. Whatever the case, Hiscox wasn't obliged to inform M of any advice it had received in respect of this or the action it was considering taking against the water company.

There were also occasions on which further clarity had been sought by Hiscox on the information M had supplied to better understand the claim. For example, when Hiscox asked for more detail on the business interruption claim after a summary of takings had been supplied by M. I don't think this was unreasonable. Whilst the document M provided was helpful, Hiscox were entitled to see a detailed breakdown of the figures contained in that document together with bank statements to support the takings noted. I appreciate that M might have found this onerous but it was up to M to evidence its claim, so I don't think Hiscox did anything wrong by requesting clarity on this issue.

M has said that Hiscox were not on its side during the claims process. I can understand why M thought this, but I also think M misunderstood Hiscox' remit. Hiscox were the insurer of its business losses and as insurer it was entitled to ask questions and request evidence sufficient to support the claim it was being asked to pay. And whilst I can see that M felt Hiscox should have done more to support it during a difficult time outside of considering its claim, I think that was in the expectation that Hiscox would do more than simply consider and pay its claim. For example, M repeatedly raised the issue of the impact of the claim on Mr M and his family and what more could be done. Hiscox explained that it's possible that M might have a legal claim against the water company, but that wasn't ultimately something it could advise upon, and it couldn't pay M's claim for business interruption until it had information necessary to verify this. M had already made a claim on its legal expenses insurance provider for help with a legal claim. So M was aware that it had this benefit and could well have utilised this if required. M also felt that Hiscox should have contacted the water company's insurer with a view to assisting it in recovering further losses. But that wasn't Hiscox' role. The water company had already accepted responsibility for part of M's business interruption claim and M had made a claim on its legal expenses insurance policy

for help to recover anything that it wasn't able to through its Hiscox policy. In light of that I don't follow what Hiscox would have achieved in pursuing the water company's insurer in this case.

M has said that the claims handler for Hiscox was rude. I know that M expected more help from Hiscox than it received. But I don't think that means that Hiscox didn't do what it should have in this case. Rather, I think this is down to M's expectation that Hiscox would do more than we'd expect it to or that its remit was more extensive than considering M's claim and determining what aspects of it were payable under the policy terms. That said, I haven't seen or heard anything in the evidence M has supplied that leads me to the conclusion that Hiscox communicated inappropriately with it or in a manner I'd say was unfair. And whilst M maintains the claims handler made excuses when it asked to discuss things with her manager, I'm not satisfied this is right. The information I've seen supports that she did pass M's request to her manager who was unwell that day and contacted M the following day.

M said Hiscox' claims handler said she hadn't read an email from the water company when it had been copied in to her. I've looked at the course of events surrounding this email. The email was about the pipe that related to the problems M was experiencing on its business premises. I don't know whether the claims handler did or didn't review that email when it came in but either way she spoke to M about the content of it on the same date and the current position surrounding it. So, whatever the case, the matter contained within it was reviewed, discussed and a meeting subsequently took place about it which also involved the loss adjuster and water company. So, I'm not satisfied there's anything of concern here that means Hiscox did something wrong.

The interim payment

Hiscox accepted that it made mistakes in how it handled the interim payment to M. That's because M was told a payment would be made and funds would be expected to be paid to it within three to five working days by the loss adjuster, but Hiscox had yet to approve the payment at that time. As such there was a delay in the payment being made. Hiscox acknowledged the mistake its loss adjuster made here and the loss of expectation M would have had. It offered M £200 in compensation in recognition of this. I think that was a reasonable offer in the circumstances. If M wishes to now accept this, it should contact Hiscox directly.

M has said Hiscox blackmailed it by saying the interim payment would be delayed as a result of the calls it had made. I haven't seen anything to support this. I appreciate however that Hiscox might have been concerned about the frequency of contact M had with it and the volume of concerns M was raising. Whilst I've not seen anything from Hiscox expressing this point, the communications I have seen do seem to support that this was the position. So, it wouldn't have been unreasonable for Hiscox to ask M to limit some of its communications, such that they weren't disruptive to its claim or its business generally. M has given an example of what it considers amounts to blackmail by Hiscox. As the water company paid £2,500 towards its business interruption claim, Hiscox said this would need to be deducted from M's claim to it. It made the point that if M didn't agree, this would delay interim payment being made. Again, I don't think this was unreasonable. Hiscox was seeking to agree the business interruption insurance claim with M in a collaborative fashion. And it was reasonable for it to deduct amounts that formed part of the claim unless it could be satisfied that this was quite separate from it. And without knowing what the extent of the claim was, I agree that this would have had a natural impact on the value of the interim payment Hiscox were prepared to make. So, I don't think this amounts to blackmail in the way that M asserts.

Other issues

In response to the investigator's view, M has made many other submissions that didn't form part of its original complaint as addressed by Hiscox. I appreciate that some of these submissions represent an expansion on the matters M already raised, but for the reasons I've set out above, they don't make a difference to the conclusions I've reached in this complaint. For that reason, I won't be addressing them further.

For the sake of completeness however M should note that we can't consider complaints about the legal expenses insurer as part of this complaint, nor any matters not raised at the start of this complaint with Hiscox as these are points they needed to be given the opportunity to address first.

My final decision

For the reasons set out above, I don't uphold M's complaint against Hiscox Underwriting Limited.

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

Lale Hussein-Venn
Ombudsman