

The complaint

Mr S has complained about the handling of a claim by Zurich Insurance Company Ltd under a bicycle insurance policy.

What happened

The investigator set out his findings to Mr S and recommended outcome as follows:

The complaint

You're unhappy with how Zurich Insurance Company Ltd handled your claim for accidental damage to your bicycle. You explained the claim was submitted on 9 December 2024, but you feel the process was handled unfairly, and you said you've since been wrongly accused of fraud.

You told us that from the start of the claim, Zurich Insurance Company Ltd took what you felt was a hostile approach. You said you provided extensive supporting evidence, including policy CAD reports, GPS ride data, photographic evidence with metadata, hotel booking confirmations, and receipts. But despite this, you said Zurich Insurance Company Ltd delayed matters for several months and then sent you a letter on 11 February 2025 that you felt implied fraud. You said you responded to this fully with a detailed rebuttal on 17 February 2025 – but Zurich Insurance Company Ltd didn't reply. Instead, you said they voided your policy on 21 March 2025, denied your claim, retained your premiums, and again accused you of fraud. You told us they also said you may be referred to a fraud prevention database – all while your complaint was still open.

You told us Zurich Insurance Company Ltd later claimed their 21 March 2025 letter wasn't a final decision, but you believe it clearly was, based on the tone and wording used. You've said you feel this may have been a deliberate attempt to delay your access to the Financial Ombudsman Service.

You've also asked Zurich Insurance Company Ltd multiple times to confirm whether your data was submitted to any fraud database but said they haven't answered your questions or given any explanation of what they considered to be fraudulent.

You feel Zurich Insurance Company Ltd's handling of your claim and complaint was procedurally flawed and unfair. As a (specialist occupation referenced), you've said the allegation of fraud is especially serious and could affect your professional standing, career opportunities, and security clearance. You've told us the experience has caused significant emotional distress, including anxiety and sleep disruption – and overall, you're seeking a fair outcome, compensation for the distress caused, and an explanation and withdrawal of the fraud allegation.

My findings

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

I want to start by saying I appreciate how stressful this situation would've been for you – particularly given the seriousness of an allegation of fraud, and the personal and professional impact you've explained. I don't underestimate the anxiety, uncertainty, and reputational concern this has caused you, and I'm sorry you've had to go through that.

In all cases I look at, including fraud cases, I need to consider what's more likely than not to have happened based on the evidence available. While fraud is a serious allegation, the test is still whether it is more likely than not that fraudulent conduct took place.

I've carefully considered the evidence. You took out your policy with Zurich Insurance Company Ltd on 20 November 2023, which at that point provided 'Core Cover' – for theft, third party cycling liability and legal assistance. This did not include accidental damage. Your policy schedule show you insured two bikes – one valued at £350, and another valued at £3,000.

The policy schedule issued on 30 November 2024 also clearly listed what is covered and what isn't covered. And I'm satisfied you were aware of the level of cover you had.

The evidence shows that on 8 December 2024 – the date of the accident – you increased the insured value of one of the bikes from £350 to £700. Zurich Insurance Company Ltd said their portal records confirm this change was made at 15:21, shortly before you began the process of making a claim. And when you looked through the claim options you saw only 'my gear was stolen' and 'someone's made a claim against me'. Zurich Insurance Company Ltd said no claim was submitted at that point.

The next day, on 9 December 2024 at 11:43am, you contacted Zurich Insurance Company Ltd by their live chat feature, saying you'd been hit by a car and could only see the option to claim for theft. Two minutes later, at 11:45am, you upgraded your policy from Core to Complete cover, which added the accidental damage benefit. At that point, you submitted a claim for accidental damage to your bike. I've also been provided with an updated policy schedule which was sent to you and confirming the changed had been made.

I've also considered your explanation from the claims interview in January 2025. You said you increased the value of the bike because you'd bought new wheels some weeks earlier and forgot to update the policy, and you increased the cover to 'Complete Cover' because you thought you already had full cover and only realised you didn't when you tried to claim – but as I mentioned above, I think the policy schedule sent to you prior to the accident clearly set out what you were and weren't covered for.

I've looked carefully at the relevant policy wording. It says the following on page 16, under 9

Fraud':

'If you, any additional riders or anyone acting on your behalf have intentionally concealed or misrepresented any information or circumstance that you had a responsibility to tell us about, engaged in any fraudulent conduct, or made any false

statement relating to this insurance, we will:

- *Void the policy in the event of any fraud which occurred during the on boarding process, which means we will treat the policy as if it had never existed; or*
- *Terminate the policy with effect from the date of any fraud which occurred during the period of insurance;*

and in either case, we will:

- *Not pay any fraudulent claim or a claim which relates to a loss suffered after any fraud;*
- *Keep any share you have paid;*
- *Seek to recover any money from you for any claim we have already paid which is later established as invalid, including the amount of any costs or expenses we have incurred;*
- *Inform the police, other financial services organisations and anti-fraud databases, as appropriate’.*

From what I’ve seen, Zurich Insurance Company Ltd were entitled to raise concerns. The cover and value of the bike were both changed after the incident occurred but before the claim was submitted, which created a reasonable suspicion that the policy was being altered to obtain cover that wasn’t in place at the time of loss. Zurich Insurance Company Ltd gave you the opportunity to explain and considered your response of 17 February 2025. They then decided it was more likely than not you had breached the fraud condition of the policy and voided it from the date of the claim.

I know you’ve raised concerns about the delay, but having reviewed the file I’ve not seen any evidence that Zurich Insurance Company Ltd delayed progressing your claim. What I have seen is that Zurich Insurance Company Ltd’s ‘Claims Investigation Unit’ were following up on issues they reasonably considered relevant, which can naturally take time.

You’ve also raised serious concerns about whether your details were placed on fraud prevention databases. I’ve checked this carefully - Zurich Insurance Company Ltd have confirmed your details have not been added to the Insurance Fraud Register to date. The policy wording does allow insurers to share fraud information with third parties – ‘inform the police, other financial services organisations and anti-fraud databases, as appropriate’ – but in this case Zurich Insurance Company Ltd confirmed they haven’t done so.

Taking all of this into account, while I fully recognise the distress this has caused you, I think Zurich Insurance Company Ltd acted within the terms of the policy. They investigated their concerns, gave you the chance to respond, and made a decision they were entitled to under the fraud condition. So, I don’t think Zurich Insurance Company Ltd have acted unfairly in the way they’ve handled your claim or in voiding the policy.

Mr S didn’t accept the investigator’s recommended outcome. In summary he reiterated that his complaint was that he had been accused of fraud in writing – Zurich using what he felt

was disproportionate and damaging language. Mr S said that Zurich also implied the incident would be reported which caused him significant distress and reputational concern. In a nutshell he said that his complaint was about whether Zurich acted fairly and reasonably in the way it handled the claim and communicated with him.

Mr S asked that the matter be escalated to an ombudsman for a final 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.

Whilst I'm very sorry to disappoint Mr S I agree with the conclusion reached by the investigator and his reasons for it. Mr S hasn't made any new points or submitted new evidence in response to the investigator's outcome, so I have nothing material to add. In all the circumstances I don't find that Zurich treated Mr S unfairly or unreasonably either in the service provided or the handling of his claim.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 May 2026.

Lindsey Woloski
Ombudsman