

## **The complaint**

Mr M complains that HDI Global Specialty SE unfairly declined a claim he made on his commercial property insurance policy after agreeing it would pay it.

Reference to HDI includes its agents.

## **What happened**

Mr M held a commercial insurance policy with HDI. Following a storm in April Mr M made a claim for the damage he thought caused by it.

Initially, HDI accepted the claim and agreed to pay for the cost of the work based on the quotes Mr M had provided, even go so far as requesting his bank details to make payment. But before payment was made, HDI said it wasn't going to pay the claim and that it wanted further information from Mr M in order to validate it.

HDI said it had concerns about the claim, noting that Mr M said he'd noticed two prior instances of damage following a storm, both in January. It said it wanted information about what was done to repair that damage, as well as information to help it establish how well the property was kept.

HDI said until that information was provided, it wasn't willing to pay the claim. But it said if it was provided, it would take it into account and review its position.

At the point this complaint was made, the information HDI requested hadn't been provided to it.

Mr M didn't think HDI's change in stance was fair. He said on the back of it agreeing to cover the claim, he'd authorised the work to be carried out. He thinks HDI should honour its original stance of agreeing to cover the claim and doesn't think it's reasonable to now expect him to provide more information.

HDI said it should never have agreed to cover Mr M's claim and that its position should have always been to ask for the information it was now asking for. It acknowledged its actions – agreeing to pay then reversing that decision – would have caused distress and inconvenience to Mr M. It offered £200 compensation.

Mr M didn't think this was fair, he still thought his claim should be paid, so, he brought his complaint to the Financial Ombudsman Service.

Our Investigator didn't think HDI had done enough to put things right. She thought its stance on the claim was reasonable, and that it was entitled to ask for the information it was asking for before agreeing to pay it. But she thought more compensation was due. Our Investigator thought a fair amount of compensation was £500.

HDI agreed to that assessment. Mr M didn't and asked for an Ombudsman's decision. He maintained it wasn't fair for HDI to agree to pay his claim, then change its mind.

## 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'm coming to the same outcome as that reached by our Investigator, for broadly the same reasons. I'll explain my reasons.

I'll not be commenting on every bit of evidence submitted or argument raised. Instead, in line with our role as an informal service, I'll comment on what I consider key to the dispute.

Here, ultimately, I'm satisfied HDI's position on the claim is reasonable. Mr M reported his claim in April, but it's clear that damage was caused earlier, twice, in January – this isn't in dispute.

Mr M's policy says he needs to:

*"a. take all reasonable precautions to prevent or minimise the likelihood of any act, incident or event that could lead to a claim under this Policy;*

*b. ensure that all Property covered under the Policy is maintained in a good state of repair;"*

And it says:

*"If You need to make a claim under the Policy, the following Claims Conditions apply.*

### *Notification*

*1. You must give Us notice as soon as possible:*

*a. and in any event within 14 days of, any claim against You or anything that is likely to lead to a claim against You; or*

*b. of any other act, incident or event that could lead to a claim under the Policy.*

*If You do not, We will not cover the claim."*

Given the circumstances, HDI has concerns over both the above quoted terms. And I'm satisfied that's reasonable. Damage was found in January but not reported, and it's not clear what work was done to repair the damage found in January. So I think it's understandable that HDI wants more information from Mr M to understand if the two terms above have been met or not.

Clearly then, HDI made an error in initially saying Mr M's claim would be paid. It shouldn't have done that, and it's acknowledged the same.

Mr M thinks because of that, it should essentially honour its mistake. But that's not always the right remedy. The remedy for wrong advice is often not to honour it, but to look at the impact of it.

Here, I'm not persuaded HDI's wrong advice has caused Mr M a financial loss. I appreciate he's said he authorised and has since paid for the work to be carried out. But firstly, there's still a chance HDI will pay this claim. It just needs more information from him. And secondly, even if the claim is ultimately declined, the work needed to be done to repair Mr M's property. So I think it's likely Mr M would have paid to repair it.

Also, the information HDI is asking for now, is information it should have always asked for. So I don't consider it's caused any additional inconvenience by asking for it now.

That said, being told your claim will be paid, to then be told otherwise will have caused Mr M distress and a loss of expectation. Our Investigator thought an award of £500 was fair. HDI agreed to that. I can see no reason to increase it.

### **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint. HDI Global Specialty SE now needs to pay Mr M £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 31 December 2025.

Joe Thornley  
**Ombudsman**