

The complaint

N complains that Arch Insurance (UK) Limited, has unfairly recorded two claims for damage made, which it believes is the result of the same incident.

N feels this has resulted in it losing out with the excess payment being doubled and it believes its insurance premium has now increased because of the additional claim recorded on the policy. It also feels Arch could have done more to recover the costs from the third-party, liable for the damage.

What happened

N owns a commercial property and it noted damage to the property with cracking seen in the wall and holes. It notified Arch of this damage in July 2022.

Further damage was noted by N to its property and this was reported to Arch in September 2022.

Arch accepted the claim but said because the damage occurred at different times, the claims would need to be recorded separately and an excess of £350 was charged to each claim.

Our investigator looked at this complaint and didn't think Arch had acted unfairly when taking the approach it had. With the time between the damage being noted, although likely caused by the same third-party from the neighbouring property, each event was a separate standalone event. So, they said it was fair any damage claimed for, because of the later event, was recorded as a separate claim. And any impact on the premium was the result of the claims being recorded correctly.

They also felt it was clear Arch had made efforts to recover the costs from the third-party. But due to the value of the claim and the interaction of the third-party, it decided not to pursue this course of action.

N didn't agree with the outcome. It said the second damage, claimed for in September had happened at the same time as the first damage and it was all the result of the same event, with the refurbishment works to the property next door.

They didn't think it was fair for Arch to decide not to pursue the third-party because it didn't see this as a viable option and it was losing out as a result.

Our investigators opinion remained unchanged and the claim was referred for decision at the request of N.

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.

I've decided not to uphold this complaint, for much the same reasons as our investigator. I appreciate N will be disappointed by this, but I'll explain why I don't think Arch has acted

unfairly with recording the claim as it has, or with the steps taken to recover the costs of the claim from the third-party.

N has said the claims, recorded as two should be treated as one. This is because the damage has been caused by the third-party builder and it happened on the same day, not two different times.

I appreciate why N feels this should be treated as one claim, with the damage recorded on the second claim being similar to the damage claimed for earlier. It was caused by the same third-party carrying out works on the property next door and at a similar time. However, the timeline of events provided on this case does not support the damage happened on the same day.

The claim notes and communication show the first claim was made on 23 July and N confirmed to Arch what was included here with cracks to the wall, a big hole in the wall and damage to the window. The second claim was made in September and this time it was for damage and repairs needed because of a small hole in the wall.

Information was provided to Arch at different points to support the claim. For the later damage, a video was taken to show the damage as it was found. It showed debris on the stairs of N's property and N's director explains, they came to the office on Saturday 24 September and found the property in this condition with the hole now in the wall. I think it is likely, if damaged in July when the other damage was noted, N would have cleared the debris from the stairs and the video evidence is persuasive to show there was damage caused at a later time.

The damage is something covered under the policy and Arch has agreed to repair this but has said, with two separate events at different times, it thinks this should be recorded as two claims. I agree the events and passing of time between them, regardless of the third-party who caused the damage, are separate events. And it follows that I don't think Arch has unfairly recorded two claims.

The excess for any claims made on the policy is set out within the policy schedule and Arch has charged an excess in line with this. So, I think its acted fairly when making this charge.

Arch did take action to seek to recover the cost of the claims from the third-party responsible for the damage. But after a number of unsuccessful attempts, decided it was not reasonable to continue to pursue the recovery. With the value of the claim and the likely cost of pursuing recovery of this, it didn't think it was a sensible option. And as the insurer, it is entitled to make this decision as it would bear the cost of any work here if the money cannot be recovered from the third party.

I appreciate that N feels it has lost out financially with the way this claim has been recorded. It has paid two excesses and feels the additional claim on its profile is impacting the cost of the policy now. However, as I've set out above, I think Arch has fairly recorded this as two claims and made appropriate efforts to recover the cost from the third party. The price of the renewals offered is based on the view of the risk taken with two claims previously being made and I see no reason to ask Arch to do anything else now.

My final decision

For the reasons I've explained above, I do not uphold N's complaint.

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

Thomas Brissenden
Ombudsman