

The complaint

R, a limited company, complains about what U K Insurance Limited (UKI) did following a claim on its business protection insurance policy. R is represented in bringing this complaint by its director, Miss P.

What happened

In April 2024 R's business premises suffered significant damage following a fire. Miss P claimed on R's policy with UKI for damage to contents and stock and business interruption losses. UKI paid up to the policy limit for contents and made a further payment for stock. It made payment for business interruption until September 2024 and agreed to keep that claim open pending evidence of further losses. Another Ombudsman considered a complaint about the handling of this claim. He thought the compensation UKI had offered for delay was fair. And it was now reviewing further information Miss P had provided about the stock claim.

Miss P made another complaint to UKI in January 2025. She said there had been further delay and an invoice relating to emergency works (following a separate theft claim) had only been paid in October. She'd also been told the indemnity period for her business interruption claim would be reduced to five months (from 12). She said the delays in progressing the claim had caused R severe financial difficulties and nothing had been paid from October 2024. And UKI hadn't reviewed a revised stock list which she'd provided in November 2024.

UKI said it had appointed a senior loss adjuster to progress the claim given complexities associated with it and the concerns Miss P raised. He'd been seeking a meeting with Miss P which she hadn't agreed to. For further business interruption payments to be made it needed evidence of actual income earned in the relevant period. Miss P had provided information at the end of January 2025 but that wasn't what it had requested.

However, it had now appointed forensic accountants to try and reconcile the claim amounts. It had also agreed the proposed meeting between Miss P and the loss adjuster could take place online (as she'd requested) where the stock list items could also be discussed. The reference to a change to the indemnity period related to a possible change to R's business model which hadn't progressed. But there had been a delay in paying the emergency works claim. It agreed to pay £100 in recognition of the impact of that on R.

Our investigator thought it was reasonable of UKI to want a meeting with Miss P. He said the compensation for the delay in paying the emergency repairs claim was appropriate and didn't identify other delays for which UKI was responsible. He didn't think the information UKI gave R in relation to possible changes to its business model was unreasonable. Nor was it unreasonable of it to ask R for evidence to support its claim.

Miss P didn't agree. She didn't think all of the necessary evidence had been considered and thought UKI was avoiding responsibility for a significant injustice. She said she'd be providing additional evidence in relation to that. Our investigator confirmed the complaint would be reviewed by an Ombudsman and gave Miss P a deadline for further information to be provided. We haven't heard from her since then. So I need to reach 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.

The relevant rules and industry guidelines say UKI has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably.

I recognise this has been an extremely difficult and stressful experience for Miss P. She's outlined the financial and other difficulties she's experienced since the fire and theft at R's premises. I don't doubt what a challenging time this will have been for her. And I appreciate her concerns cover the whole history of R's claim including what UKI did initially and actions it took after issuing its final response on this complaint. However, those issues have been considered as part of separate complaints to our service. I'm primarily considering in this decision what happened from September 2024 (the date of UKI's final response on R's previous complaint) until February 2025 when it issued a final response on this complaint.

UKI accepted R had valid claims under its business protection insurance policy and made payments in relation to them. And at the end of September 2024 it explained that, in order for business interruption losses from October onwards to be considered, "*we would need to see a further certified presentation of the income earned*". I think that's in line with the policy terms which include as part of the claims conditions that a policyholder must provide "*detailed particulars and proofs as may be reasonably required*". I don't think it was unfair of UKI to ask for that information in the circumstances of this case particularly as the policy covers "*accountants charges reasonably incurred for producing and certifying details of a claim under this Section*".

Miss P did provide information from her accountant at the end of January 2025. They said "*the original forecasted figures for business interruption are accurate, and the predictions are on track. I don't expect a material variance in the original claim amount for the business interruption*". That does suggest there was an ongoing business interruption loss but it wasn't the information UKI had asked for. So in order to move matters forward I think it was reasonable UKI then appointed forensic accountants to review the claim. I appreciate that will have caused a delay in any further payment being made to R. But I don't think it was unreasonable of UKI to conclude it didn't have evidence to support an earlier payment.

I've also considered R's theft claim. UKI says that was closed because it believed the items stolen were already damaged in the fire and formed part of that claim. However, on receipt of the claim closure notification Miss P said "*since my Business Contents on the fire claim amounted to more than the £12,478 worth of cover, the remainder should be placed under the burglary claim which should allow for a further £12,478*".

In order to resolve this issue and also to consider further what items should be covered under 'Stock' I consider it reasonable UKI asked a senior loss adjuster to review the matter. Having done so they asked Miss P for a meeting to discuss it in more detail. I recognise Miss P had concerns about such a meeting (given her previous experience with the claim) but the loss adjuster explained why it was necessary and why he didn't believe it would be possible to conduct it online. It did then take time for the meeting to be arranged but that was primarily because Miss P was understandably unavailable in the busy Q3 trading period. UKI subsequently agreed the meeting could take place online (despite its clear preference for a face to face meeting) which I consider was a pragmatic way of trying to ensure the claim made progress.

Miss P says UKI told her the indemnity period for her business interruption claim would be reduced from 12 months to five. There was some discussion around this in the context of what would happen if she no longer sought to reopen R's shop premises but moved to an online only model. Miss P argued this wouldn't represent a material change to her existing arrangements (given she already had an online business). UKI did initially suggest an indemnity period of five months would apply if the business moved solely online. But it doesn't appear to have maintained that position in subsequent correspondence. However, I don't think this is material to the outcome because Miss P subsequently decided to seek alternative premises for R meaning the normal indemnity period would apply in any event.

It's not in dispute there was a delay in UKI making payment for a claim for emergency repairs at R's premises. It's already offered £100 to recognise the inconvenience that caused R. I've not seen evidence of an impact on R resulting from that failing which means a higher amount should be paid. So I think that's fair.

My final decision

U K Insurance Limited has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances. So my decision is that UKI should pay R £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 13 February 2026.

James Park
Ombudsman