

The complaint

Mr H has complained that Society of Lloyd's (SOL) has refused his claim for storage charges under his commercial vehicle insurance policy. And about its consideration of his claim for loss of income.

Any reference to SOL includes the underwriter of Mr H's policy.

What happened

Mr H made a claim for damage to his van under the abovementioned policy. SOL made a total loss offer of less than Mr H was expecting. This was because he thought he'd bought a policy with an agreed value for the van of £50,000. So, Mr H wasn't happy with the amount SOL offered in settlement of his claim or its handling of it, so he made a complaint.

SOL issued a final response to this complaint in which it made an offer to pay £24,045.65 in settlement of Mr H's claim. It also offered to pay Mr H £1,500 as compensation for the distress and inconvenience he'd experienced due to what it accepted was the poor handling of his claim. And it said it would consider paying any storage costs Mr H had incurred for his van after it was damaged and any loss of income he'd suffered because of delays on his claim.

Mr H wasn't happy and asked us to consider his complaint about his claim for his van. In the end I issued a final decision requiring SOL to pay Mr H £34,917, less the policy excess in settlement of his claim for his van, plus interest. I also said SOL should pay the £1,500 it had offered in compensation for distress and inconvenience. I also said it should consider Mr H's claim for storage charges and consider paying him compensation for any loss of income resulting from the delays with his claim.

Mr H accepted my decision. SOL then considered Mr H's claims for storage charges and loss of income. It refused to pay anything for storage charges on the basis it wasn't happy with the evidence Mr H had provided in support of these. SOL appointed a forensic accountant, who I'll refer to as F, to consider Mr H's loss of income claim. And it then said Mr H needed to provide the further evidence F had asked for to properly assess his loss before it would consider the claim further.

Mr H complained about the decision SOL had made on his claim for storage costs and about its refusal to consider his loss of income claim further without him providing the evidence F had asked for. SOL issued final responses rejecting Mr H's complaints about both these things.

Mr H asked us to consider his complaint about both things. One of our investigators did this. He said that he did not consider SOL had shown Mr H's claim for storage charges was fraudulent. But he did think Mr H needed to provide further evidence in support of his claim for these, for SOL to consider. He also said he thought SOL's request for further information in support of his claim for loss of income was reasonable.

Mr H didn't agree with the investigator's view and asked for an ombudsman's decision.

He thought he had provided sufficient evidence to support his claim for storage charges and for his loss of income.

I issued a provisional decision on 7 August 2025 in which I set out what I'd provisionally decided and why as follows:

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've provisionally decided to uphold it in part. I'll explain why.

SOL has relied on the fraud condition in Mr H's policy to reject his claim for storage charges. However, I agree with our investigator that it has not proven fraud and therefore is not entitled to reject his claim for this reason. Fraud is when someone attempts to gain a financial advantage by providing false information or documentation. And the burden of proof for it is a high one. It has to be proven on the balance of probabilities, but it has long been established that the evidence needed to do so has to be very strong indeed. And I don't think the evidence SOL has provided in Mr H's case is strong enough.

The report SOL has provided from its investigator shows he went to the location where Mr H said his van was stored and there was no sign of the company he said he stored it with. But I have seen photographs provided by Mr H, which show signage for the company concerned at this location and evidence of vehicles stored there, along with Mr H's van. Also, SOL have said that the company wasn't licensed by the Financial Conduct Authority (FCA) for vehicle storage and this isn't listed as part of its activities on its record at Companies House.

However, as far as I am aware the FCA doesn't regulate storage companies and the list of activities on the company's record at Companies House does show they carry out this activity. Also, the investigation company have said they called the company on numerous occasions without getting a response, but they have not said what number they called and when they called. And they've not provided any actual evidence to show they made these calls.

So, I do not consider the evidence SOL has provided about the storage company gets anywhere near the standard of evidence required to prove fraud.

SOL has also queried why only one invoice was provided for storage for the whole period, when the contract that Mr H had with the storage company said that the charges were payable monthly. But Mr H has explained that the proprietor of the company concerned knew about the situation with his claim. And that, in view of this, he didn't bother sending out an invoice each month. I think this explanation is satisfactory. And the proprietor has also explained why the first invoice issued didn't show the amount Mr H had already paid. And, again, I find this explanation satisfactory.

SOL has suggested Mr H's van wasn't stored at the storage location for the whole period the invoice covers. But both Mr H and the storage company have explained that it was there for the majority of the time and why it wasn't there at certain times. They have also both explained why the invoice doesn't reflect the periods the van wasn't there. I also find these explanations satisfactory. So, I do not consider SOL's concerns about the storage invoice are enough for it to prove fraud.

So, while I can understand some of SOL's initial concerns about the claim Mr H made for storage charges, bearing in mind the evidence he has provided and his testimony, I do not think SOL has anywhere near enough evidence to show Mr H has provided false information or documentation in an attempt to gain a financial advantage.

It therefore follows that I do not consider SOL can reject Mr H's claim for storage charges on the basis it is fraudulent. It also follows that as part of the fair and reasonable outcome to Mr H's complaint I will not allow SOL to rely on the fraud condition it has quoted and therefore it must reconsider the claim in light of this.

I've considered SOL's requirement for Mr H to provide the further information requested by its forensic accountant about his personal finances and those of the companies he's associated with. And the fact it will not consider his claim for loss of income further until he provides this information. And I think SOL's requirement is a reasonable one.

The personal information the accountant has asked for and the information about the other company Mr H is a director of is clearly to check whether he used the time without his van to carry out other business activities. So, I can see why the accountant wants to check this, as if Mr H did do this, it would be reasonable for a deduction to be made for any income he received in the time he got back due to having to miss his catering activities. And the other information the accountant has asked for is to help it make sure its estimate of the income lost as a result of Mr H being without his van is accurate. I appreciate the accountant Mr H appointed was able to complete a calculation of loss of income without all this information. And it is clear that SOL's accountant was also able to do this. But this in itself does not mean the request for further information to check calculations and verify evidence provided is unreasonable.

So, until Mr H provides the information SOL's accountant has asked for I do not consider SOL needs to go any further with its consideration of his claim for loss of income. If he can't provide any of the information required Mr H should explain why to SOL and it should reconsider its position in light of his explanation.

My provisional decision

For the reasons set out above, I have provisionally decided the following:

- *Society of Lloyd's cannot rely on the fraud condition in Mr H's policy to reject his claim for storage charges. And it must reconsider it in light of this.*
- *Society of Lloyd's requirement for Mr H to provide the further information requested by its forensic accountant before it will consider his claim for loss of income further is reasonable.*

I gave both parties until 21 August 2025 to provide further comments and evidence in response to my provisional decision.

SOL provided the following comments and evidence (I have not listed everything it has said, but I have set out the evidence and comments I consider most relevant to the outcome of Mr H's complaint):

- Mr H has claimed his van was removed from storage on occasions, but the invoice for storage doesn't reflect this. It sees this as an attempt to gain a financial advantage by Mr H.
- There was no evidence of any storage or recovery operations at the yard (which belongs to a company I'll now refer to as A) where Mr H said his van was stored. And it does not meet the requirements for safe storage.
- Based on the evidence available at the time of repudiation it has proved the claim for storage charges was false, so Mr H was not entitled to a payment for storage charges.

But his claim was not defined as fraud. And it did not cite fraud as a reason for declining Mr H's claim. But it thinks the evidence Mr H has provided is false and/or misleading information in relation to his claim for storage charges.

- It has specifically referred to an email Mr H sent to its claim handler on 24 October 2023 in which he said his van was stored at a different location (R's premises) in part of the period covered by A's invoice for storage.
- There was no mention of A prior to Mr H sending a copy of its invoice of 30 June 2024.
- The report provided by their investigator states that Mr H's van was not at A's yard in July 2024 when he visited it.
- In the circumstances, it does not think the validity of A's invoice has been established.
- It has provided a recording of a call on 25 October 2023 to a claim handler in which Mr H stated his van had been removed from storage a week previously and was parked on a country road. And in which he said he had been making payments for storage but couldn't afford to pay any more. Yet A's invoice shows Mr H made a payment of £5,353 for storage six days after this.
- The explanation that the original invoice supplied by Mr H from A not showing the payment he had made being that it was compiled by an inexperienced member of staff is implausible, as any member of staff compiling an invoice would have access to payment records.
- Its investigator's report and the photographs Mr H has provided do not give the impression that A's yard is used for storage.
- The reference in the storage agreement to payment being due on or before 02/08/23 throws the validity of the agreement into doubt.
- In an email on 10 June 2024 Mr H said he was struggling to keep paying the storage, whereas he later suggested he did not pay anything since October 2023. These contradictions and others prove Mr H has deliberately used deception to gain a financial advantage in relation to his storage claim.

In conclusion, SOL said that the crux of this complaint is whether its decision to decline Mr H's claim for storage fees was reasonable. And it's pointed out the known facts in relation to Mr H's claim for storage fees are:

- In October 2023 Mr H informed SOL that his van had been stored at R's premises since 1 August 2023 and had been removed from storage.
- In July 2024 Mr H sent an invoice stating the vehicle had been in storage at A from 31 July 2023 to 30 June 2024 and no payments had been received.
- In June 2025 Mr H sent an invoice stating the vehicle had been in storage from 31 July 2023 to 27 May 2025 and that he'd made a payment of £5,353 on 31 October 2023.

The vehicle could not have been in two locations between August and October 2023 so it is clear that Mr H has provided false and/or misleading information. The distances from the incident location indicate it is more likely that the vehicle would have been recovered to R than to A. Mr H's email dated 24 October 2023 and the telephone conversation on 25 October 2023 provide evidence that it is more likely than not that the vehicle was stored at R from August 2023 to October 2023.

Mr H asked me to provide him with a copy of the preliminary report provided by F. I provided this to him and he raised the following concerns about it:

- It has not been updated since he provided his submissions to HMRC, so it gives a wholly inaccurate picture of his loss of earnings.

- He doesn't understand how F has come up with a loss of income figure of £27,000 when the forensic accountant he employed came up with one of £100,000.
- He has questioned the dates F has used to calculate loss of income as they do not reflect the full period of his claim.
- F has assumed a reduction in sales due to the fact he would have had to register his company for VAT. And he doesn't think it should have made this and all its other assumptions.
- They have not updated their report after he made HMRC submissions on the instructions of SOL.

I then asked Mr H to provide his comments on the email he sent about storage charges in October 2023 and the telephone call he made when he said his van had been moved out of storage. I also asked for him to comment on SOL's investigator's report in which the investigator suggested his van was not at A's yard in July 2024.

He replied with the following points:

- He explained that R was his proposed storage location, but he decided it wasn't secure. And his reference to his van being stored there in his email in October 2023 could only have been down to a 'copy and paste mistake between addresses' on his laptop. And it is an issue that should have been addressed long before now.
- At the time he made the telephone call in October 2023 he had some health issues and was not in a fit state to make the call. It was therefore a misguided and desperate attempt to pressure SOL into action.
- A's invoice showing his payment on 31 October 2024 was only produced because he called them saying he needed an invoice showing what he'd paid. And his payments were made in cash.
- In his email in June 2024, he said he had paid the first few months of storage and then advised SOL he could not continue to keep paying for it.
- He pointed out that the report that was provided by SOL's investigator said he had attempted to contact A 15 times. But he did not provide the telephone number he had used. And he didn't provide any photographs showing his van wasn't in A's yard when he visited.
- He asked SOL for months to arrange storage for his van. Instead, it left him to arrange his own storage. And the focus is now on discrediting what he did, as opposed to why he was left to make his own storage arrangements.
- Finally, he queried why his claim for loss of earnings had been left continually ignored, when it is the one part of his complaint that truly matters. And he said he thought F's request for information on his personal finances was illegal and unfounded.

I then sent an email to Mr H in which I set out my further provisional findings on his complaint as follows:

- In view of the apparent discrepancy between what he said in his email on 24 October 2023 and in the telephone call on 25 October 2024, I didn't think it was appropriate for

me to ask SOL to settle his claim for storage, i.e. I now considered its decision not to pay anything for storage was reasonable in the circumstances.

- I did not agree there was anything unreasonable about or wrong with F's report. And I thought their request for information on his personal finances and the other information it had asked for was reasonable. And I explained it was trying to establish whether he used his time to earn any other income in the period his van was out of action. And I could see why SOL had instructed F not to complete its report until it had this information.
- I could see the logic for the amount F had allowed for a reduction in sales if Mr H had registered his company for VAT.
- I explained that I would consider the period F had used for loss of income. But my approach would be for it to be based on what should have happened if his claim for his van had been handled as it should have been by SOL.
- I explained why I didn't think the period the forensic accountant he'd appointed for loss of income was appropriate because it included periods when he would not have had the use of a van, even if his claim had been properly handled.

I also emailed SOL and explained my revised findings on Mr H's claim for storage charges. I also explained why I thought the period they should cover loss of income should be from one month after Mr H submitted his claim to the date it made the final payment for his van.

SOL responded to say that Mr H's claim for loss of income, including the period it covers remains under consideration and will only be progressed once Mr H provides the information F requires.

Mr H responded to my further email and queried why SOL was being allowed to change or withdraw professional statements it had previously made and have been agreed to without being held accountable. Whereas any statement he makes seems to be treated as final and cannot be retracted or clarified. He also made the following further points:

- He was struggling to understand why the evidence he has provided regarding storage costs is being treated as unreasonable and being disregarded. And he has pointed out that he has sent three emails that clearly show SOL accepting responsibility for these costs. And emails and call recordings of SOL instructing him to arrange his own storage and confirming it would pay for it.
- He's queried the email I am referring to where he stated the storage location for his van was at R's premises, as opposed to at A's yard. And he's said it was stored at A's yard; and everybody has accepted this fact.
- He said again that his comment that his van had been parked on a country road in his call to SOL in October 2023 was not accurate and was said in a desperate attempt to force SOL to act. And I am not in a position to assess his state on this call by listening to a recording of it.
- He asked me to provide physical proof or evidence to support SOL's suggestion that his van was not at A's yard. And he pointed out that he'd previously asked for photographs from SOL's investigator which shows this.
- He does not consider the evidence I am relying on with regards to his claim for storage costs can outweigh the written and third-party evidence he has provided.

- Not only does he consider F's request for information inappropriate; he considers it to be an unlawful request.
- He has queried my reference to the fact that he could have been working for his company in the period he was without his van. And he has said that he has shown by bank statements he was not working for his company in this period.
- He has again challenged the need for further information as the reason F hasn't completed its report. As well as the reduction in income that it has assumed would have occurred if he'd registered his company for VAT.
- He should be compensated for what he lost financially as a result of SOL not paying the correct settlement amount in respect of the claim for his van promptly.
- My view F is not acting independently is contrary to the statement in its report referring to the Civil Procedure Rules Part 35.
- He's queried my rationale for questioning the completeness of the report he commissioned by a forensic accountant.

I sent Mr H a copy of SOL's investigators report and referred to the fact it included a photograph of A's yard. Mr H took this to mean I thought the photograph was supporting evidence to show his van was not at A's yard. And he pointed out it was an image available online from a date prior to when his van was stored at the yard. So, I responded to explain that I had taken the report as evidence that his van was not at A's yard in July 2024, but that I had not taken the photograph into account.

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've decided that SOL's decision not to pay Mr H's claim for storage charges is reasonable in the circumstances. I've also decided that its request for Mr H to provide the outstanding further information F says it needs to complete a full report on his likely loss of income is reasonable. But I have decided that if it does decide to pay Mr H anything for loss of income the period this should cover is from one month after he submitted his claim to the date it paid him the final payment in settlement of it.

I have noted Mr H's comments. However, I do not agree that SOL has been allowed to alter statements it has previously made or agreed to pay whatever Mr H claimed for storage charges. I agree it left Mr H to arrange storage for his van and suggested it would consider his storage charges. But this did not alter the fact that he needed to provide evidence in support of these. And however late SOL raised some of its concerns with the evidence he'd provided, I think I still need to take its points into account.

I also accept that Mr H could have paid the storage fees on an ongoing basis up to a point and the invoice he provided from A didn't reflect this.

However, I agree that the discrepancies in the evidence Mr H has provided on storage costs are enough to justify SOL's rejection of his claim for storage charges. It has said it has not relied on the fraud condition in Mr H's policy to do this. Although, what it said in its letter rejecting Mr H's claim for storage charges for me suggests it was indeed relying on this condition. Either way, I am now satisfied that its decision not to pay Mr H's claim for storage

charges is reasonable for the following reasons.

The most recent invoice Mr H provided from A suggested his van was stored at its yard from 31 July 2023 to 27 May 2025. But Mr H said in an email dated 24 October 2023 that his van was taken to independent vehicle storage at R's premises on 1 August 2023. And I think this email suggests it was taken from this location to Mr H's home for an inspection by SOL's engineer and then moved back to R's premises. In this email he referred to the fact he could not get repairers who were near to where A's yard is located to make a five hour, 200 mile, round trip to inspect his van, which suggests the van was at R's premises at this point in time. Whereas the invoices Mr H has provided from A include this period. But I do not see how his van could have been at A's premises at this time because of what Mr H said in the abovementioned email.

I think my view on this is also supported by what Mr H said in a call to SOL on 25 October 2023. In this call he said that he couldn't afford to continue paying for storage and that his van had been moved out of storage onto a country road a week earlier. But this is not reflected in A's invoice at all. I also think it is of note that A's premises is on an industrial estate and it seems unlikely they would have moved the van onto a country road.

And I consider that both the email and the telephone call casts doubt on the validity of the invoices Mr H has provided from A. And while I appreciate SOL's investigator has not provided photographs in support of his report, I think the fact he said he did not see Mr H's van when he visited A's yard in July 2024 supports SOL's concerns around the validity of the invoice from A, as it doesn't appear Mr H's van was at its yard at this point. I appreciate it may have been hidden, but looking at the pictures of the yard this seems very unlikely to me.

I appreciate Mr H has queried the validity of this report, but I have no reason to think the investigator has lied in the report and didn't visit A's premises and that he didn't see Mr H's van when he did so. And for me this is strong evidence that it was not at A's premises in July 2024, despite the fact the most recent invoice from A covers storage at its premises at this time.

However, I would like to make it clear that I have not placed any weight at all on the aerial photograph provided by the investigator. And he did not actually suggest in his report that this photograph proved Mr H's van was not at A's yard when he visited. I think he just included it to show the location of the yard itself. And I am sorry I gave Mr H the impression I considered this photograph as evidence in relation to his claim for storage costs.

I have also considered Mr H's argument that R's premises was originally intended to be the location where his van would be stored and that he must have put this as the storage address in the email by mistake. But I find this to be extremely unlikely, bearing in mind his other comments in the email. And I consider it is more likely than not that he included it because it was where his van was stored for some period after 31 July 2023. I have also noted Mr H's comment that when he made the telephone call on 25 October 2023 he was struggling with some issues and was under a great deal of pressure. But I do not think I can discount it as evidence. And, for me it backs up SOL's concerns about the validity of the invoices provided by Mr H from A.

I have not disregarded the evidence Mr H has provided himself including the photographs of his van at A's premises. But, as far as I can see, these do not cover the periods I have mentioned above. And I have not disregarded the evidence from A, which suggests it did store Mr H's van between August 2023 and May 2025. And A is of course a third party. But it does not alter my opinion that the evidence SOL has provided and its comments are enough to justify its refusal of Mr H's claim for storage charges.

And I do not consider SOL's suggestion it would cover storage charges means it is bound to do so, as it has evidence which calls the validity of the invoices relating to them into question. And, as I've already said, I have taken the comments and evidence Mr H has provided and his explanations into account when reaching my decision on storage charges. I simply do not consider it would be appropriate for me to require SOL to pay his claim for storage charges based on all the available evidence.

I do appreciate Mr H will be very disappointed about my view on this issue, but I have to act impartially and make my decision based on all the evidence available.

I've considered Mr H's comments on his claim for loss of income. But it remains my view that SOL's position that it will not consider this further until he provides the remaining further evidence F has requested is reasonable. I accept that F is a professional organisation and has said it is acting in accordance with the Civil Procedure Rules. And I also accept that this means it has to act independently. My reference to the fact it is not independent really just reflects the fact it was chosen by SOL and is acting for it. So I don't think it can be considered entirely independent.

I can see from Mr H's comments he has not fully appreciated why I think it is reasonable for F to ask for information on his personal finances or in relation to the other company he was involved with. What I was trying to explain was that it would only be fair for Mr H to receive compensation for any loss of income in the period he was without his van. And this would have to reflect any income he received from any other work he did in this period instead of using his van to generate income for his catering company. And I do not consider any of F's requests for evidence to be inappropriate or unlawful. And, until Mr H provides all the evidence it has asked for and SOL has said he needs to produce, I do not think SOL needs to consider his claim for loss of income further.

I should also say SOL needs to consider the report provided by the forensic accountant Mr H appointed fully. And my comments on some of its findings were purely to assist both Mr H and SOL in understanding the issues that need to be considered. I was not saying this report is wrong, I was simply querying the approach the accountant had taken to Mr H's loss of income to some extent.

However, if SOL does decide to compensate Mr H for loss of income, I consider the period it should use is the one I set out in my recent email to SOL for the reasons I also set out in this email. This is from one month after he made his claim for his van to the date it paid the final amount in settlement of it. This is because I consider this to be the period Mr H was without a fully functioning van due to the failings in SOL's handling of his claim. And, as Mr H's complaint is about the way SOL has handled his claim for loss of income, I'm satisfied I can consider this aspect and make a direction on it.

My final decision

For the reasons set out above, I uphold Mr H's complaint about Society of Lloyds in part and – if it decides to compensate him for loss of income – I direct it to use the period from one month after his claim to the date it made the final payment on the claim as the period to calculate loss of income for.

However, I do not uphold Mr H's complaint points about Society of Lloyd's refusal to meet his claim for storage charges. Or about Society of Lloyd's request for Mr H to provide the further information on his financial affairs that F requires to complete its report, before it will consider his loss of income claim further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or

reject my decision before 27 November 2025.

Robert Short
Ombudsman