

The complaint

Mrs S is unhappy with the decision made by Zurich Insurance Company Ltd (Zurich) following a claim attempted under her livestock insurance policy.

Mrs S is being represented by a third party in bringing her complaint to the Financial Ombudsman Service. For ease of reference, I have referred to Mrs S throughout this final decision.

Zurich is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. Zurich has accepted that it is accountable for the actions of third parties instructed by it. In my decision, any reference to Zurich includes the actions of any third party instructed by Zurich during the course of Mrs S's claim.

What happened

Mrs S's livestock insurance included the follow general conditions:

3. Fraud

If you or anyone acting on your behalf:

- (a) makes any false or fraudulent claim,*
- (b) makes any exaggerated claim,*
- c) supports a claim by false or fraudulent documents, devices or statements (whether or not the claim is itself genuine),*
- (d) makes a claim for loss or damage which you or anyone acting on your behalf deliberately caused,*

We will:

- (i) refuse to pay the whole of the claim; and*
- (ii) recover from you any sums that we have already paid in respect of the claim.*

We will also notify you if we will be treating the policy as having terminated with effect from the date of the earliest of any acts set out in (a) – (d) above. In that event, you will:

- have no cover under the policy from the date of the termination; and*
- not be entitled to any refund of premium.*

In August 2024 Mrs S's broker, T, sent a claim on behalf of Mrs S, to Zurich for consideration. The claim was sent by email and advised:

*Details of Circumstances: 3 Cows have gone missing.
Cattle were weaned and let out into the fields – looks like they have broken a fence and gotten out. Upon rounding the cattle back up 3 are stilling missing*

Mrs S's claim was declined on the basis that the policy didn't include cover for '*Mysterious Disappearance and/or shortage of stock on the policy*'. Zurich was advised by T '*Could you look at this claim again under "theft" please as client has reported them stolen. Having spoken with our client advised that someone had entered through the fence and he believes there is no other reason for the animals to be missing.*'

Zurich received a claim form from Mrs S on 28 August which recorded that the theft had been logged with the police on 22 August, and the value of each animal was £1,280. Mrs S also provided a letter from an auctioneer, H, which included the value of each animal. Zurich contacted H to understand the value recorded. H was asked:

In particular, can you please have a look at the figure which has been overwritten from what appeared to be £1,200, to £1,280.

Did you make an error on the valuation and had to overwrite the figure?

Alternatively, is it the case someone has overwritten the valuation without your knowledge and or consent?

H informed Zurich '*That is my valuation and £1200 was the price not £1280.*'

Zurich arranged an interview with Mrs S to understand the claim circumstances and clarify discrepancies in the information provided. In particular, Zurich asked questions about text from the claim form which had been scribbled out, and smudge markings on the letter from H which suggested that the value had been changed, specifically on the number '8', which looked like it was originally recorded as '0'. Additional concerns were raised about the claim circumstances changing, and Mrs S being the director of a previously liquidated company.

Following Zurich's investigation, Mrs S was informed her claim wouldn't be covered because of the policy condition for fraud. Zurich advised Mrs S that her policy would be terminated from the date of the claim, 13 August 2024, and she wouldn't be entitled to a refund of premium, and there is no cover in force for any subsequent claims. Mrs S was also informed its decision will affect Mrs S's ability to obtain insurance with Zurich in the future, and other insurance companies may ask Mrs S to tell them about any previously cancelled or voided policies and this may affect Mrs S's ability to take out insurance in the future. Mrs S was also told her details may be registered on the Insurance Fraud Register.

Mrs S challenged Zurich's decision. Mrs S provided a further letter from H saying '*In the valuation letter I sent the value was £1200 for which myself changed from £1280.*' Zurich considered the claim but didn't change its decision.

Mrs S was unhappy with this response, and brought her complaint to the Financial Ombudsman Service. The investigator found that Zurich had acted reasonably in applying the policy terms, declining Mrs S's claim, and treating it as a fraudulent claim. The investigator didn't ask Zurich to do anything in settlement of Mrs S's complaint. As the complaint couldn't be resolved, it has been passed to me for 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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

I thank Mrs S for taking the time to explain her personal circumstances and everything that has happened since making her claim in August 2024. I recognise it has been a difficult time for Mrs S, and she has continued to feel the impact of what has happened long after.

Fraud is a serious allegation. As such we expect an insurer, when alleging fraud has occurred to be able to support its allegation with clear strong proof which shows its conclusion is fair and reasonable. A list of concerns and discrepancies in accounts of events will rarely be seen to be sufficient to satisfy this service that it's reasonable for the insurer to rely on a breach of the fraud condition within the policy to decline a claim and/or cancel a policy. So whilst I've noted that Zurich has set out many concerns about this claim, my main focus, at this time, falls on Zurich saying it received a manipulated document (letter from H) in order for Mrs S to gain a benefit from the policy to which she is not entitled.

It's important to explain that it's not my role to determine whether Mrs S's claim was fraudulent. My role is to consider whether Zurich has acted fairly by relying on the fraud condition outlined above to decline Mrs S's claim. For Zurich to rely on this condition, it needs to show it is more likely than not the condition was breached. So, I've looked at the evidence provided to decide whether its actions have been reasonable.

As both sides know the full details and circumstances surrounding this case, I won't go over all the finer details here. It's not disputed that when Mrs S's claim was first logged with Zurich, it was reported as a claim for missing cattle. After being told her claim wouldn't be covered, a claim form was submitted saying the incident had been reported to the police as theft, and asking Zurich to consider it for the same.

Zurich's investigation led to material concerns about the validity of the value of the claim submitted. The main focus for Zurich, and document which heightened its concerns about Mrs S's claim, is the letter from the auctioneer, H, which included the value of each animal. I've reviewed this letter. And on balance, given the markings and smudge marks over the value recorded on the letter, I'm persuaded it was reasonable for Zurich to question H over what the intended value was at the time of writing the letter.

H was specifically asked at the time whether there was a need *'to overwrite the figure?'* H's response at the time was that *'£1200 was the price not £1280.'* In later correspondence H said the valuation letter had been amended at the time, and that H was responsible for this amendment. H confirmed that *'In the valuation letter I sent the value was £1200 for which myself changed from £1280.'*

Given the question previously asked to H about whether any changes had been made, I think it was fair for Zurich to question the credibility and persuasiveness of H's evidence about the amount that had been recorded for the valuation of each animal. Zurich made several attempts to clarify the amount being claimed, and the discrepancy between the valuation letter from H, and Mrs S's claim form. These enquires raised further questions about the credibility of the amount being claimed, and what had been disclosed about the value of the loss for each animal.

We'd expect an insurer to investigate a claim to ensure that the policy terms have been met before any decision to pay the claim is made. Given the value of Mrs S's claim, I'm persuaded the level of scrutiny and interrogation of the evidence was reasonable and proportionate to what we'd expect for a claim of this type.

I recognise the impact on Mrs S because of Zurich's decision on her claim and policy. But having considered Mrs S's representations alongside Zurich's concerns about the claim, I'm satisfied Zurich's actions have been fair. It follows that I can't say Zurich's decision to decline

the claim on the basis the fraud condition was breached was unfair or unreasonable. So, I won't be asking Zurich to reconsider, or pay anything in settlement of, Mrs S's claim.

My final decision

For the reasons provided I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 4 March 2026.

Neeta Karelia
Ombudsman