

The complaint

S, a company, complains about a claim it made on its MSIG Europe SE ('MSIG') business protection insurance policy, which was declined.

S says MSIG treated it unfairly.

S' complaint is brought by Mr B, but I shall refer to all submissions as being S' own for ease of reference.

What happened

The details of this complaint are well known to both parties, so I won't repeat them here. Instead, I'll focus on giving my reasons for my 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.

Having done so, I don't uphold S' complaint for broadly the same reasons set out by the investigator. Before I explain why, I wish to acknowledge the volume of submissions made by S in this complaint. Whilst I've read everything it has said, I won't be addressing it all. That's not intended to be disrespectful. Rather it's representative of the informal nature of the Financial Ombudsman Service. Instead, I'll concentrate on the crux of S' complaint, namely whether it was fair for MSIG to turn down its claim in the way that it did.

The starting point is the policy terms. They say:

"If any property used by you at your premises for the purposes of the business suffers damage during the period of insurance, and as a result your business is interrupted or interfered with then we will pay you

1. An amount representing the different between your income during the indemnity period as compared to your income during the identical equivalent calendar period in the 12 months immediately before the date of the damage,

2. Any reasonable additional expenses incurred in continuing trading during the indemnity period, but not more than the loss avoided under 1 above,

3. Any reasonable additional expenses incurred in continuing research and development during the indemnity period less any amount saved during the indemnity period in respect of reduced expenses due to the damage or savings made due to salvage sold

...

Provided that

a. The property is insured for damage, and a payment has been made or liability accepted, under this policy or under any other insurance covering the buildings at

your premises.”

In this case the ceiling collapsed at S' business premises. S' claim for business interruption and the cost of storage of its fixtures, fittings and stock. MSIG declined to cover the business interruption claim on the basis that there was no evidence to support that either a payment had been made, or liability accepted on an insurance policy covering the building itself. They also said that S did not take reasonable precautions to minimise or stop any interruption of or interference with to its business with a view to avoiding or reducing its loss, in accordance with its policy terms. In addition, MGIS also declined to cover S' storage costs because they said there was no cover under the policy for this sort of claim.

I've considered all of the various submissions made by S in this complaint and it's clear to me that there is no evidence to support a claim was made on the buildings insurance policy applicable to S' business premises by the landlord who was insuring that building. As such there is no evidence to show that either a payment had been made on it or liability accepted. And as that is a condition of the cover, I can't say that it was unfair for MSIG to decline S' claim in the way that it did.

When reaching this conclusion I've thought about all of the arguments put by S about this condition, and although I appreciate why S feels that its ability to recover anything under the policy is contingent on a landlord's actions and that this is unfair, I can't say that I've seen enough to support the policy condition is made out here. Ultimately it was up to MSIG to determine what risks they wanted to take on and in this case their policy was contingent on a claim either being accepted or a payment being made under a buildings insurance policy. Whether that requirement is based on another party insuring the building and co-operating with S makes no difference here. It may be that S has a claim against its landlord for not complying with its obligations under the lease during the time it was suffering interruption as a result of the landlord's failure to claim on a buildings insurance policy, but that doesn't change the position with regard to the insurance MSIG were able to offer here. Because of this I don't think it makes any difference whether S took reasonable care in this case as it makes no difference to the outcome of its claim to MSIG.

I turn now to S' claim for the storage of its items. MGIS has said there's no cover for these in this case. I've considered the policy terms and the report of the loss adjuster MGIS instructed. From what I've seen there is no evidence to support that there was any damage to S' fixtures fittings and stock. Rather it seems S moved these out of the business premises into storage because it was unable to trade. Whilst I can quite understand why S moved these items into storage, that doesn't mean that the policy provides cover for them in these circumstances. For that reason, I don't think MGIS need to do anything more here.

My final decision

For the reasons set out above, I don't uphold S' complaint against MSIG Europe SE.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 10 March 2026.

Lale Hussein-Venn
Ombudsman