

## **The complaint**

A limited company, which I will call D Ltd., has complained about the handling of a claim under its business insurance policy with Allianz Insurance Plc.

Mr L, as director of D Ltd., has brought the complaint on its behalf. Mr L is also represented in this complaint but for ease, I will refer to Mr L or D Ltd. throughout this decision.

## **What happened**

In June 2023, D Ltd. made a claim under its policy with Allianz for business interruption losses following a power surge that damaged its CAD system.

Allianz appointed loss adjusters to investigate the claim. In October 2023, Allianz confirmed it would meet the claim and in November 2023, it made a payment for the property damage which meant D Ltd. could replace the CAD system.

In January 2024, D Ltd. complained to Allianz, as it said it was causing unreasonable delays in the progress of the claim. Allianz issued a final response to that complaint in February 2024 in which it denied there were avoidable delays on its part but offered £150 compensation for not responding to communication from D Ltd.'s broker.

Following this, Allianz made two interim payments for the business interruption claim and at end March 2024 proposed a final payment of £32,559.07. This was paid in early April 2024. This meant a total of £92,559.07 was paid for the business interruption claim.

In September 2024, D Ltd. complained again, as it said the £32,559.07 payment in April 2024 had been accepted as another interim payment but not in final settlement of the claim. Allianz had then sent a final offer of a further payment of £32,559.07 in May 2025, which it accepted as a final payment under duress, but this payment was never received and Allianz has now refused to pay it.

D Ltd. also complained again about the time taken with the claim, which it says caused problems with cashflow that meant it had to take out bank loans.

Allianz issued its final response letter to that complaint at end October 2024. It said that while the claim had taken time to assess, the delays were unavoidable. Allianz also said that based on the accounts provided by D Ltd. its accountant calculated a total business interruption loss of £92,559.07. It has paid this amount and D Ltd. confirmed its acceptance of the payment in April 2024 as the final payment for the business interruption claim. Allianz does not therefore agree that there is any further payment due.

As D Ltd. remained unhappy with Allianz's handling of the claim, it referred the complaint to us. D Ltd. has made a number of points in its complaint. I have considered everything it has said and have summarised its main points below:

- Allianz failed to acknowledge the financial hardship caused to D Ltd. by this matter. It had to take out several loans, totalling around £65,000, between August 2023 and

December 2023, due to the delays in payment from Allianz.

- Allianz provided misleading payment information and attempted to force a final settlement with incorrect figures. It made a final offer of a further payment of £32,559.07 on 14 May 2024, which D Ltd. accepted but payment was not actually received.
- It is difficult to properly assess the impact this insured incident has had. D Ltd. had patterns for products on the CAD, which were lost, but it will not know if it needs some patterns (and therefore will have to pay a designer to produce them again) unless it has a repeat order from those particular customers. It has restored the patterns for its main repeat customers but this incident could still be impacting it, so the last payment amount claimed is valid, as it will never be able to accurately quantify the impact on its business.
- Allianz ignored its request to make payments by faster bank transfer.

D Ltd. wants Allianz to pay the outstanding business interruption amount, which it says should be £36,189; pay the interest on the loans it took out of £19,819; pay an accrued HMRC debt of £150,000; and pay suitable compensation to Mr L for emotional and physical harm caused to him. D Ltd. also asked that we direct Allianz to take appropriate action to prevent similar occurrences in the future.

One of our Investigators looked into the complaint. He explained that we could not consider the events complained about in D Ltd.'s first complaint, as it had six months to refer that complaint to us following Allianz's final response to it (so six months from February 2024) and had not done so. D Ltd referred the complaint to us in April 2025, which was within six months of Allianz's final response to the second complaint in October 2024, so we can consider the events complained about then.

The Investigator also explained that we cannot consider the impact on Mr L personally, as the complaint is being brought by D Ltd., or the handling of the complaint itself.

The Investigator considered the handling of the claim from February 2024 and did not recommend the complaint be upheld. He did not think that Allianz had caused any unreasonable delay. And while there was confusion about the final payment, he did not think Allianz had committed to making a second payment of £32,559.07 and so did not have to pay it again.

The Investigator said he could not make any finding about the total amount paid for the business interruption claim, and whether it is reasonable or not, because that had not been raised previously with Allianz.

Mr L does not accept the Investigator's assessment. He says the Investigator has overlooked the sequence of events regarding the last payment made by Allianz.

At end March 2024 the offer of £32,559.07 was made and it was implied it might be full and final settlement. This amount was paid on 3 April 2024. In mid-May the loss adjusters emailed D Ltd.'s broker to offer £32,559.07 again stating it was a full and final settlement figure. D Ltd. accepted that offer thinking it was to be paid again and Allianz confirmed that payment would be sent but then said it had already been paid. This sequence of events clearly demonstrates a breakdown in communication and a deliberate attempt to force a premature closure of the claim. The initial offer was presented as a settlement, but a second, identical offer was made more than a month later, which it was led to believe was a separate final payment.

The conclusion that Allianz's actions were reasonable cannot be correct. The attempt to pay the same amount twice, the misleading communication about "*final settlement*" offers, and

the abrupt closure of the case without a full resolution all point to a failure to handle the claim promptly and fairly.

As the Investigator was unable to resolve the complaint, it has been passed to me.

### **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.

#### Claims-handling from February 2024 onwards

As the Investigator has explained, I can only consider Allianz's handling of the claim from February 2024 onwards.

I understand Allianz had already proposed a settlement figure for the business interruption claim but D Ltd.'s broker sent further accounts information and asked it to consider a higher offer. In February 2024, Allianz passed this information to its accountant to consider. The accountant said that the information provided would only impact the claim settlement if the loss period that was being considered extended beyond December 2023. They said they'd need further accounts information to assess this. In mid-March 2024 D Ltd. provided the requested information to Allianz. It did not think this changed the outcome and subsequently made its final offer of settlement.

I am satisfied that Allianz considered the additional information received after February 2024 and progressed the claim from February 2024 onwards reasonably. It made two interim payments in February and at end March 2024 made an offer for a final payment of £32,559.07

D Ltd. is also unhappy that Allianz did not use faster bank transfer for the payments, as requested. I can appreciate this would have been frustrating but it did make the payments relatively promptly and I do not consider any award is warranted for this.

Having considered everything, I do not consider that there were any delays on Allianz's part during this period.

#### Business interruption payments

D Ltd. has said the business interruption claim amount is not enough overall. As the Investigator explained the total value of the claim was not part of the complaint to Allianz, so I cannot consider how the figure of £92,559.07 was arrived at and whether that is a fair payment overall, or not.

However, I can consider the issue around the payment in April 2024 and whether Allianz should make a second payment of £32,559.07 to D Ltd..

D Ltd. says it accepted the offer in full and final settlement because it was led to believe by Allianz's correspondence that this was a second payment of £32,559.07. It also says this second payment is valid because the insured incident will have continuing impact on the business, which cannot be quantified.

I have read the email D Ltd.'s broker sent Allianz on 14 May 2024. This confirmed D Ltd. accepted the sum of £32,559.07 in full and final settlement of the claim. It seems clear that the broker was not aware that this had already been paid and expected this to be an additional payment, on top of what had already been paid, as they gave D Ltd.'s bank details

for payment and asked that payment be raised before the end of the same week. However, I do not think this misunderstanding was due to any wrongdoing on Allianz's part. I will explain why.

D Ltd.'s broker's email of 14 May 2024 was in response to an email from Allianz that said it had already offered £32,559.07 in full and final settlement and its accountants could see no justification for any additional payment. It said: *"I cannot see anything contained within the below email which would suggest or substantiate any further settlement offer being made to the Insured"* and referred to the £32,559.07 having already been offered. I think this was reasonably clear that the £32,559.07 previously offered as the final payment stood and it was not offering to pay the exact same amount twice.

It seems to me that neither D Ltd.'s broker, nor the writer of the email from Allianz knew that amount had already been paid because the email then asked for D Ltd.'s bank details and asked it to confirm acceptance of the sum offered. I can see that asking for the bank details when that payment had already been made may have caused some confusion but I think the content of that email made it clear enough that it was not offering an additional £32,559.07 but instead was re-stating that the previous offer was in full and final and it was not offering anything more.

In any event, even if I am wrong about that and D Ltd. was led to reasonably believe it was to receive a further payment of £32,559.07, I do not think this means I can reasonably require Allianz to pay that amount to D Ltd..

I say this because, Allianz has said this payment meant it has paid the total that its accountants assessed as being due under the policy for the business interruption claim. I have not seen any evidence that this is unreasonable. (As mentioned, I am not making any finding on this, however, as it does not form part of this complaint.) D Ltd. has said it would be valid to make this additional payment because it cannot be certain there are not further losses but I cannot direct Allianz to make a payment that has not been substantiated. D Ltd. can complain separately about the total settlement amount separately, if it thinks it was not assessed fairly.

Having considered everything carefully, there does therefore seem to have been a misunderstanding but I am not minded to require Allianz to make any further payment.

#### Short term loan interest and HMRC debt

D Ltd. has said that Allianz's handling of the claim has caused it to accrue a debt with HMRC of £150,000. I cannot see that this has been put to Allianz before. I also cannot see any reliable evidence that would substantiate this.

Based on the information and evidence provided to me in relation to the issues I have been asked to consider here, I do not consider that I can make any award in relation to this.

With regard to the loan interest incurred. I acknowledge that this claim will have caused cashflow problems for D Ltd. However, I have seen no reliable evidence that the loans were required as a result of any wrongdoing by Allianz. As set out above, I do not consider there were any delays on Allianz's part from February 2024 onwards and I cannot consider the delays alleged to have occurred prior to that. I do not consider that I can reasonably make any award against Allianz for the loan interest.

#### Compensation

I appreciate that as the sole director of a relatively small company, Mr L will have suffered significant stress and inconvenience by the claim. However, even if I thought Allianz had done something wrong, which for the reasons given above, I don't, I could not make the award he wants for the impact on his own mental and physical health.

This is because I can only consider and make an award that recognises the impact of any wrongdoing by a financial business on an eligible complainant, and in this instance, the eligible complainant is a limited company, rather than Mr L as an individual. A limited company cannot suffer distress or frustration. I can, however, consider any inconvenience caused to D Ltd.

While there was confusion following Allianz's emails to the broker in May 2024, I do not think this warrants compensation to D Ltd..

Finally, D Ltd. has asked that I make directions that would prevent Allianz behaving in the way in the future. I can only consider what has happened in his complaint and cannot require a business to change its practices generally. I do not therefore have the power to make any such direction, even if I thought it was warranted.

Having considered everything very carefully, and while I am mindful of the implications of this decision for Mr L, I do not consider that Allianz has acted unfairly or unreasonably and I do not intend to require it to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask D Ltd. to accept or reject my decision before 19 January 2026.

Harriet McCarthy  
**Ombudsman**