

The complaint

Mr M complains about the business rates (BR) he was required to pay, due to delays caused by INTACT INSURANCE UK LIMITED, under a commercial property insurance policy.

Mr M has been largely represented by a company I will refer to as F, under this complaint. But for ease of reference, I shall refer to anything F said on Mr M's behalf, to have been said by Mr M.

What happened

Mr M had a commercial property insurance policy with Intact. This covered a restaurant (the premises) on the ground floor, and private let flats on the floors above. In September 2022, Mr M made a claim for a collapsed drain. Intact accepted the claim and started works to carry out the required repairs.

Mr M raised complaints with Intact about its handling of the claim and delays. Intact agreed to pay him for loss of rent, in acknowledgement of the losses caused by its delays, as Mr M was prevented from renting the premises to a tenant.

Mr M then complained to Intact in April 2025, about the BR. He said he'd received a bill from the local authority. And he said the tenant would have paid the BR, but he'd been unable to rent the premises, due to Intact's delays in completing works. In June 2025, he sent Intact evidence to show he was being charged BR as follows:

- £3,968.35 for the period 30 Sep 2022 to 31 March 2023 (period 1)
- £18,048.00 for period 1 April 2023 to 31 March 2024 (period 2)
- £17,589.75 for period 1 April 2024 to 31 March 2025 (period 3)

Intact issued a complaint response in July 2025. It agreed to pay a reasonable amount of the BR for the time its delays caused Mr M loss. So it agreed to pay 50% of the BR for period 2 and the full BR for period 3. But it said its actions wouldn't have caused Mr M loss all the way to the beginning of the claim – so it didn't agree to cover any earlier BR costs (period 1).

Mr M referred his complaint to the Financial Ombudsman Service. He accepted it would be fair for Intact to pay 50% of the BR for period 1, but said it should pay the full costs for periods 2 and 3.

The Investigator upheld the complaint. They said Intact's delays meant Mr M was unable to rent out the premises, which meant Mr M was liable for the BR that the tenant would normally have paid. So they recommended Intact pay Mr M 50% of the BR for period 1, but the full BR for period 2 and 3. And they recommended it pay Mr M £250 compensation.

Intact didn't agree. It accepted the works not being complete prevented Mr M from renting the premises, but it said there would always have been a period following the loss where the premises would have been unoccupied. So it said Mr M would always have suffered some BR loss, that Intact wasn't responsible for. It maintained what it offered to pay in its complaint response. Finally, Intact explained the BR payment it agreed to make was a

goodwill gesture and it shouldn't be made to pay costs not covered under the policy terms.

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.

Mr M has provided a lot of information in support of his complaint. I assure Mr M that I've taken everything he's provided into account. But in this decision I've focused on what I think are the key issues in this complaint, based on the matters still in dispute, that we've not previously looked into. No discourtesy is intended by this, but it simply reflects the informal nature of the way that the Financial Ombudsman Service reviews complaints.

Intact accepts there have been significant delays in the resolution of the claim, and that this has impacted on Mr M being able to rent the premises out to a tenant. So with this in mind, my decision will mainly focus on whether Intact's actions have caused a loss to Mr M, and what it should do to put things right.

Intact said BR costs are not payable under the policy terms. But it's important that I'm clear here that what I'm addressing here is the loss suffered by Mr M because of Intact's actions. And this is not a matter of whether these costs are covered under the terms. This is in line with our Service's fair and reasonable remit. Overall, I consider it is fair and reasonable that Intact pay Mr M compensation for the consequential loss he suffered, as a result of its delays. And the consequential loss I'm considering under this decision is the BR. I'm satisfied that this is a cost a tenant would be responsible for, if the premises were rented out.

Turning to what Intact should pay, I can see it already agreed to cover Mr M's loss of rent as a consequential loss, from January 2023. This is based on Intact's opinion on when the premises would reasonably have been reoccupied, but for its delays. Intact also acknowledged there were high occupancy rates on the street where the premises was located, and that this is a highly sought after location. So while I acknowledge Intact's point about the inevitable period of unoccupancy, having reviewed all the evidence, I see no reason to rely on a different date to the above. So I think it's fair to consider Mr M's consequential loss, in relation to the BR, from January 2023.

Taking all the above into consideration, I agree the Investigator's recommendation is a fair and reasonable outcome in the circumstances. So I will direct Intact to pay Mr M 50% of the BR for period 1, and the full BR for period 2 and period 3.

Mr M said Intact's refusal to pay the costs affected him emotionally. And while I understand F dealt with a substantial amount of the matter for him on his behalf, I'm satisfied Intact's actions caused Mr M distress and inconvenience. And in the circumstances, I consider the Investigator's recommendation of £250 compensation to be fair and reasonable. So this is what I will direct Intact to pay.

Finally, I understand Intact agreed to review any further BR periods once works had completed – I leave this to both parties to discuss further, if needed.

My final decision

My final decision is that I uphold this complaint. Subject to my comments above, I require INTACT INSURANCE UK LIMITED to:

- Pay Mr M 50% of the BR costs for period 1.
- Pay Mr M the full BR costs for period 2 and period 3.

- Pay Mr M £250 compensation for the distress and inconvenience caused.

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

Monjur Alam
Ombudsman