

The complaint

T complains about Allianz Global Corporate & Specialty SE's handling of a commercial property insurance policy and claim.

T is a charity. It's been represented by a Trustee under the complaint. For simplicity I've referred to the Trustee's comments and actions as being T's own. Allianz has been represented by its agents in the handling of the policy and claim. For the same reason, I've generally referred to those agents' actions as being Allianz's own.

What happened

T took out a commercial property insurance policy with Allianz in October 2024. In November 2024, T made a claim for damage caused by a flood.

Allianz considered the claim, but in January 2025 it said flood cover was meant to be excluded under the policy and had accidentally been included in the schedule T was given. T complained about the error in the schedule and Allianz's decision to decline the claim.

Allianz issued a complaint response in March 2025. It accepted there was an error in the policy schedule T was sent, which stated there was flood cover. It apologised for the error but didn't agree to pay the claim.

T referred its complaint to the Financial Ombudsman Service. It said it was forced to close and suffered significant financial losses as a result of Allianz's actions. This included the time Allianz took in considering the claim before it identified the error.

The Investigator partly upheld the complaint. They said it was not reasonable to ask Allianz to pay the claim as it was not the intention of the parties to include flood cover. They weren't persuaded Allianz's actions caused T further loss or that T would have purchased flood cover but for Allianz's error. They recommended Allianz pay T £250 compensation for the inconvenience caused.

Allianz accepted the Investigator's recommendation. T didn't agree. It said it lost out on the chance to arrange alternative flood cover or to arrange its own funds and repairs. It wanted Allianz to make a payment based on there being flood cover, or based on its losses. T said the schedule Allianz issued was a legal and binding contract.

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.

This Service is an informal dispute resolution service. It's not our role to say whether a contract is legal and binding, or to enforce it. When considering what's fair and reasonable, I'm required to take into account a number of matters, which include relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time. I'm not

limited to the position a court might reach.

Allianz accepts there was an error when the policy schedule was sent to T, after renewal was agreed. This meant the schedule indicated there was cover for damage caused by flood under the policy, when this was not the case. To be clear, this error was caused by the broker, acting for Allianz, that I will refer to as S. Allianz advised S flood cover was to be excluded but S incorrectly included it. But as S was acting on Allianz's behalf in creating the policy schedule, Allianz is liable for S's actions in this regard. So, in deciding what's fair and reasonable, I've considered the likely impact of this error.

T said it lost out on the chance to arrange alternative insurance that included flood cover. I've reviewed previous policies T took out from October 2021, and I can see flood cover was not included under those policies. At renewal, T's broker asked Allianz to renew cover based on the same information as the prior policy. So, I'm not persuaded it was T's intention to seek insurance cover at renewal in 2024, that included flood cover.

Furthermore, the renewal invite Allianz sent in October 2024 outlined the proposed cost of cover for T's property, and this document made it clear flood cover was not included. I consider renewal was likely accepted and agreed on this basis, so overall, I think it's more likely than not both parties understood at renewal, flood cover was not going to be included. The schedule S sent out in error was issued following this, in November 2024.

T provided information to show its landlord took out a separate policy in May 2024, as property owner, to protect their interests. And at that time, it was possible for the landlord to look into a specific policy to cover them against damage or loss from flood. But I consider it was for the landlord to make that decision and I can't see that they did. And in any case, this would have been for cover to protect the landlord's interests, as property owner, independent of T's policy covering damage to its own property.

The evidence suggests T was happy to ensure their property for at least three previous years without flood cover. And had S sent the policy schedule it should have done, the policy coverage would have been the same as T had had for the previous three years. And I've not seen evidence to show T would have looked to change the policy coverage in 2024. What I have seen is that T's own broker asked for the policy to renew on the same terms as the year before. So overall, I'm not persuaded T would have taken out alternative insurance that included flood cover.

T said Allianz's Loss Adjuster confirmed flood cover. But I don't consider this changes the conclusion outlined above. I've reviewed the Adjuster's report, and they did acknowledge flood cover was noted on the schedule. But they also drew Allianz's attention to the proximity of a river and asked Allianz to confirm whether there was cover or any issue in light of this. But because I'm satisfied T was led to believe Allianz was considering the claim, until it confirmed the error, I've gone on to consider if this caused T further material loss.

T said it was advised to close and carry out some works while Allianz reviewed the claim. It said it lost out on the ability to carry out temporary repairs in order to stay open, or apply for grants and fundraise in order to arrange repairs.

I've reviewed the available information, and I can see the flooding caused extensive damage to T's property. Allianz isn't responsible for the flooding occurring, so I think it was always likely T would have had to close its premises. I can see in December 2024, Allianz outlined steps T would need to take while the claim was being considered, such as removing damaged property to allow drying. I can't see that Allianz's consideration of the claim would've prevented T from doing this.

T provided a quote from December 2024, to show the likely cost of the full repairs. I've not seen evidence to persuade me T would've been able to arrange this work before Allianz confirmed there was no cover in early January 2025. I've also not seen sufficient evidence to persuade me T would've been able to arrange lesser repairs, before January 2025, in order to remain open and honour existing bookings. I'm conscious the landlord was separately responsible for the drying of the building, albeit they didn't appear to have cover for damage caused by flood – I think this likely would've impacted on T's ability to complete works in order to safely reopen its premises.

Finally, I've also not seen sufficient evidence to persuade me T lost out on the ability to apply for grants, or raise funds, while Allianz was considering the claim. I don't think consideration of a claim amounts to confirmation that it will be paid or paid in full. So I think T would always have been able to raise funds in the ways available to it. And I've not seen evidence that T lost out on the ability to apply for or raise funds, that it otherwise would have been able to, and would likely have successfully received, because of the time Allianz took.

Overall, for the reasons outlined above, I'm not satisfied the time Allianz took to consider the claim, before confirming there was no cover, caused T additional material loss. So I won't direct Allianz to make any payment for this.

T has said Allianz's actions affected users of its facilities, as well as volunteers and staff. But T is a legal entity, separate to those individuals, so I can't consider compensation for the individuals personally. And T can't experience distress or suffering. But I agree with the Investigator T would have experienced inconvenience by being led to believe the claim was being considered under valid flood cover. With this in mind, and for the reasons outlined above, I agree that a payment of £250 compensation is fair and reasonable in the circumstances. So this is what I will direct Allianz to pay.

My final decision

My final decision is that I partly uphold this complaint.

I require Allianz Global Corporate & Specialty SE to:

- Pay T £250 compensation, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 25 February 2026.

Monjur Alam
Ombudsman