

## The complaint

J, a limited company, complains about the way Ageas Insurance Limited ('Ageas') handled a claim it made on its commercial property insurance policy.

Mr J, a director of J, brings the complaint on J's behalf. J is also professionally represented, but for ease of reading, I have just referred to J and Ageas in this decision.

## What happened

J held a property insurance policy for a tenanted property. J raised a claim for damage and loss of rent in September 2021 after an underground drainage pipe at the rear of the property collapsed, causing foul water to back up through the waste system which resulted in damage to the property.

Ageas accepted the claim and appointed loss adjusters. Repairs were started but they became technically complex due to the depth and location of the collapsed pipe. Ultimately, substantial excavation works were required, which involved obtaining statutory approvals, including highway closure as well as coordinating specialist contractors.

J said a loss of rent was occurring while investigations and repairs progressed. Under the policy in force at the time, loss of rent was subject to a financial limit of around £60,000. That sum was paid to J in November 2023, but repair works continued after that date, with the main drainage works completing in late 2024 and remaining repairs addressed separately. J was dissatisfied with how Ageas was handling the claim, particularly the length of time it was taking to progress the works and the level of communication from their loss adjusters. J felt that Ageas's delays and poor management meant that repairs could have been completed significantly sooner, which it said would have reduced the extent of its loss of rent.

J went on to raise a complaint which was considered by this Service and an Investigator looked at what happened up until 23 January 2023. They concluded that, while Ageas's communication could have been better, the overall handling and delays were not unreasonable given the complexity of the claim. And they also said they were unable to make a final finding on any loss of rent while the claim was ongoing. The Investigator also felt that the £150 compensation payment Ageas had made was fair and reasonable in the circumstances at that stage.

The claim continued, and J ultimately raised further complaints about Ageas's handling which they responded to in January 2023 and June 2023. The latest final response, issued in December 2024, said Ageas had identified multiple delays throughout the claim and awarded £600 compensation, but they said some delays had been due to needing permission to carry out various necessary works. J then brought the complaint back to this Service in February 2025 and said it had experienced a £35,000 loss of rent due to Ageas's delays in handling the claim.

An Investigator looked at what had happened but didn't recommend the complaint should be upheld. She accepted that the claim had been ongoing for some time and that communication and expectation management could have been better. However, she felt the

evidence showed overall that much of the delays in the claim had arisen from the technical complexity of the repairs and the need for statutory approvals. In relation to the loss of rent, the Investigator felt that Ageas had met their contractual obligations by paying loss of rent up to the policy's limit, but it wouldn't be fair or reasonable to require them to pay loss of rent beyond that limit. She also didn't think Ageas needed to increase the compensation they'd already offered.

J didn't agree with the Investigator's findings. It maintained that Ageas's handling of the claim had caused avoidable delays that pushed the loss of rent claim beyond the indemnity period and said it felt that it had been placed in a "catch 22" position, as earlier complaints could not be fully considered while the claim was ongoing. J said that fairness required Ageas to meet the additional loss of rent incurred beyond the policy limit.

J asked for an Ombudsman to consider the complaint – so, it's been passed to me to decide.

### **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 want to start by setting out what I can look at as part of this complaint. This Service has already considered a complaint about the claim which an Investigator reviewed up until January 2023. I appreciate Ageas issued a further final response in June 2023, but that complaint was not brought to this Service within six-months. So, the period I am able to consider is between June 2023 and December 2024, when Ageas issued their last final response to the ongoing claim complaint.

I should also acknowledge that I've only provided a summary of what happened here as the background of this complaint is well known to J and Ageas. This is not intended as a discourtesy; but instead reflects the informal nature of this Service. However, I want to assure both parties I have read and considered everything submitted carefully.

J has set out that the crux of its remaining complaint issue is whether Ageas should be directed to pay additional loss of rent beyond the policy limit. J says delays in handling the claim caused the repair works to be completed much later than they should have done, causing an additional loss of some £35,000.

I've considered the policy terms, and I can see loss of rent is a defined benefit which is subject to a financial limit. That limit was reached and paid to J in November 2023, but the policy itself had ended in February 2023, so there was no ongoing contractual entitlement to loss of rent after that date. And this means any further loss incurred would be considered a consequential loss. When thinking about whether an insurer is liable for any consequential losses because of something they did wrong, I need to ask the following questions:

- 1. Is the loss reasonably foreseeable?*
- 2. Is the loss a direct result of what went wrong?*
- 3. Were reasonable steps taken to mitigate the loss?*

In relation to question one, I find that this type of loss would be reasonably foreseeable, because an insurer's delays in dealing with a claim could increase a commercial landlord's losses, including a loss of rent.

However, in relation to question two, in order to make a direction for Ageas to pay a consequential loss, I would need to find that the loss was a direct result of something Ageas did wrong. I've looked at the claim history and thought carefully about whether the available

evidence demonstrates any delays in handling the claim show, on the balance of probabilities, the repairs would have completed sooner. Having done so, while I accept that the claim took a long time to progress, I'm not persuaded that the evidence demonstrates Ageas acted unfairly.

I'm overall satisfied that the available evidence demonstrates the repairs were technically complex and I think reasonable steps were taken initially to explore less intrusive repair options, before it became clear that substantial excavation would be required. At that stage, the nature of the works involved statutory approvals, highway closure arrangements, and party wall agreement. And I think it's clear these would have been matters outside Ageas's direct control and would have caused their own unavoidable delays at times.

I appreciate J's strength of feeling over the delays when it says the works could have been completed around eight months earlier. But I haven't seen any persuasive evidence that shows me, but for Ageas's handling, the repairs would have progressed that much faster. I find that much of the delays in this claim arose from the nature and complexity of the works themselves rather than inactivity or poor decision making by Ageas. So, it follows that I do not find it would be fair or reasonable of me to direct Ageas to pay a consequential loss claim for loss of rent. For completeness, I have not found it necessary to make a finding on question three, whether J took reasonable steps to mitigate the loss, given I am not satisfied the loss is one Ageas are responsible for.

However, while I have not found a direct causal link between Ageas's handling and the losses claimed, I do think it's clear there were service failings and Ageas did not handle the claim as J could have expected. Ageas has already acknowledged these failures in their final response, so I do not need to make an extended finding on this point. But some examples include J having to chase for updates on a number of occasions, and Ageas not making it clear what the next steps were going to be or how long these stages were likely to take. I can understand why they added to J's frustration, especially given the financial impact of the claim and the length of time it had been ongoing for. That means I'm satisfied a compensation award is appropriate here. I can see Ageas already offered a sum of £600, which the Investigator felt was fair and reasonable. So, I need to decide whether I think that's enough compensation.

I've weighed up J's testimony, the available evidence, and the length of time the claim took overall, for the period I am able to consider. On balance, I think the compensation Ageas has already offered is in line with what I would consider to be fair and reasonable in the circumstances of this particular complaint. And I find this sum reflects the scale of inconvenience J experienced in response to Ageas's actions, while still remaining proportionate and consistent with the way this Service approaches compensation awards.

I appreciate this is not the level of compensation J might had hoped for, and it may not ultimately change matters for it, given the loss of rent it was claiming. But I should make it clear that this Service is not the industry regulator. We don't have the power to punish or fine businesses - that's the role of the Financial Conduct Authority ('FCA'). Our role is to resolve individual disputes by deciding what's fair and reasonable for the people involved. And having done so, I consider the compensation award to be in line with the level of compensation appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint. That means Ageas should pay this sum to conclude the complaint, if they haven't already.

### **My final decision**

For the reasons I have set out above, my final decision is that I direct Ageas Insurance Limited to pay J £600 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask J and Mr W to accept or reject my decision before 11 March 2026.

Stephen Howard  
**Ombudsman**