

## **The complaint**

G, a limited company, complains about what Accelerant Insurance Europe SA/NV UK Branch did after it made a claim on its business protection insurance policy.

## **What happened**

G has two business protection insurance policies with Accelerant which include cover for stock. In October 2023 it amended its policy to include a new storage location; a property between its two existing premises. The following month there was an escape of water at the new storage location which caused significant damage to stock. G claimed on its policy.

After investigating Accelerant said, when amending cover to include the new storage location, G confirmed that property was in a good state of repair. However, it didn't consider that to be the case; its investigations had found there was extensive cracking at the property and vegetation was protruding through the walls.

G had also confirmed that for all of the properties the electrical installation had been inspected and certificated by a qualified engineer. But that wasn't the case either. Accelerant said if it had been given correct information it wouldn't have offered cover. It declined G's claim, voided the policies from October 2023 and refunded the premium G paid.

Our investigator thought photographs of the property showed it wasn't in a good state of repair. And she thought that's something G would reasonably have been aware of. So it hadn't answered the question about that correctly. She was satisfied if given correct information Accelerant wouldn't have offered cover and thought it was entitled to void the policies and refund the premium G paid for them.

G didn't agree. It provided an internal photo of the property which it said showed it was in a good state of repair and didn't accept there was evidence of severe cracking or vegetation growth as Accelerant suggested. It didn't think it would have been reasonable for it to inspect the roof space of the property or carry out a structural survey given it was only using the ground floor for storage. The response it gave to the question was based on its assessment of the state of the property and there was no requirement to engage a surveyor or engineer prior to doing so.

I issued a provisional decision on the complaint last month. In summary I said:

*The relevant rules and industry guidelines say Accelerant has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably. And as its reasons for declining the claim (and voiding the policy) relate to information it says G should have provided when taking out the policy I've also taken into account the relevant law in relation to that which is the Insurance Act 2015. The Act says when taking out the policy it had a duty to make a fair presentation of risk. So it had to disclose:*

- everything G knew, or ought to have known, that would influence the insurer's judgment in deciding whether to insure the risk and on what terms; or*
- enough information to put the insurer on notice that it needed to make further enquiries about potentially material circumstances*

*In considering whether a policyholder made a fair presentation of risk I think it's reasonable to take into account whether an insurer sought any particular information from them. So I think its relevant to consider what questions Accelerant asked and how clear and specific those questions were.*

*In this case I understand those questions are reflected in the Statement of Fact issued at the time the policy was first taken out. In relation to G's premises it was asked "Is the Property in a good state of repair and will be so maintained". It seems clear G understood that question included the new storage location it was seeking to add to the policy. It argues it considered that property to be in a good state of repair and so answered the question correctly.*

*However, I've reviewed photographs of the property taken by the loss adjuster following the claim (and which Accelerant shared in its final response to G's complaint). I think it's clear from those the property wasn't in a good state of repair; they show for example that vegetation was present internally having grown through the roof of the property which appears to have partially collapsed as a result.*

*I've gone on to consider whether that's something which should have been apparent to G when it asked for this property to be added to the policy in October 2023. I agree the question didn't require a structural survey or other professional assessment to be carried out prior to it being answered. And the internal photograph of the roof which Accelerant provided appears to have obtained after accessing the roof space. I don't think that is something G would necessarily have been expected to do. I also recognise G has provided a photograph of the inside of the property which does suggest the rooms shown were in a reasonable state of repair.*

*But I think it would also be reasonable for a policyholder to carry out a visual inspection of the outside of the property prior to answering the relevant question. And I think doing so would have made clear to G that it wasn't in a good state of repair. The photographs of that demonstrate clear evidence of cracking to the external render which has revealed the brickwork and shows established plant growth within the mortar.*

*So I don't think G did make a fair presentation of risk when taking out cover. And I've seen underwriting criteria which satisfies me if the question had been answered correctly Accelerant wouldn't have agreed cover for new storage location. That means there has been a 'qualifying breach' here. And Accelerant doesn't need to cover the claim G made.*

*But this was an amendment to existing cover and the breach of the duty of fair presentation only related to the new storage location. I'm not satisfied that in itself entitled Accelerant to void both existing policies in their entirety. However, I think it was able to do so for the other reasons it's referenced.*

*In particular G was also asked when taking out cover “During the last five years has the electrical installation been inspected and certified by a NICEIC, ECA, NAPIT or SELECT (Scotland) engineer qualified in electrical inspection and testing?” G answered ‘yes’ to that.*

*I think it’s reasonable to say that question related to all of the properties for which G was seeking cover. That was clearly its understanding as it subsequently provided electrical certificates for all of them dated September 2023. However, Accelerant says the firm which produced them has confirmed they don’t have the relevant registration. I’ve checked the relevant registers and I’ve not found a record of the firm that carried out the inspection on them. Accelerant also says it reviewed the metadata for these certificates which suggests they were created some months after the application for cover was actually made.*

*So I’m also satisfied this question was answered incorrectly and G didn’t make a fair presentation of risk in relation to this issue either. I’ve also seen evidence which satisfies me that if given the correct information and in these circumstances Accelerant would then have declined cover in its entirety. Where an insurer can show it wouldn’t have entered into the contract at all the Insurance Act says “the insurer may avoid the contract and refuse all claims, but must in that event return the premiums paid”. That’s the approach Accelerant has taken here which is line with the provisions of the Act. I don’t think that was unfair in the circumstances of this case.*

### **Responses to my provisional decision**

Accelerant didn’t respond. G did send further comments and evidence. It provided an electrical certificate from September 2019 which it said had been completed by a properly registered firm and meant the relevant question had been correctly answered.

In relation to the new storage location it disputed that a photograph of a cracked wall which Accelerant included in its ‘intention to void’ letter was of that property. It said a report from chartered surveyors showed it was part of an adjoining property. It also provided a report from the letting agent confirming the property was suitable for business letting and including screenshots of the interior. So it argued it had reasonably answered yes when asked if this property was in a good stage of repair.

So I need to reach a final 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.

G has focussed in its response on the two photos contained in Accelerant’s ‘intention to void’ letter. However, as I said in my provisional decision it’s the photographs contained in its final response to the complaint which I relied on when considering the state of the building. There are a number of those which I think do demonstrate evidence of cracking to the external render at the new location which has revealed the brickwork and shows established plant growth within the mortar. G hasn’t commented on those photographs and I’ve seen nothing else to indicate they don’t relate to the property in question.

I accept the letting agent may have believed the property was suitable for letting and I’ve already acknowledged internal photographs indicate the rooms shown were in a reasonable state of repair. But it remains my view that it would have been appropriate for G to visually inspect the outside of the building in order to make a fair presentation of risk.

And if it had done so it wouldn't reasonably have been able to confirm it was in a good state of repair. So for the reasons I went on to explain in my provisional decision Accelerant doesn't need to cover the claim G made.

In relation to cover for the existing properties I previously concluded the electrical certificates G provided weren't from a firm that had one of the relevant registrations and so the relevant question had been answered incorrectly. G has now provided us with a certificate from 2019 from a firm that does appear to be correctly registered. However, that certificate doesn't relate to the existing properties but to the new storage location. I've already concluded Accelerant was entitled to decline the claim relating to that based on the answer given to the question about its condition.

Even if G was able to provide certificates from a registered electrician that did relate to the existing properties I'm considering in this decision whether Accelerant acted correctly based on the information reasonably available to it at the time. Based on the evidence G provided to it my view remains that Accelerant reasonably concluded it hadn't made a fair presentation of risk and was entitled to avoid the contract as a result. If G does have electrical certificates relating to the existing properties from a registered electrician it can provide these to Accelerant to see if this makes a difference to its previous decision on cover for those properties. However, that wouldn't change the outcome of this complaint.

### **My final decision**

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 18 March 2026.

James Park  
**Ombudsman**