

## The complaint

A limited company, which I will refer to in this decision as M, has complained about the settlement made in respect of a theft claim under its commercial insurance policy with Allianz Insurance Plc.

Mr G, as a director of M, has brought the complaint on its behalf.

## What happened

M held this policy with Allianz from 2018, renewing each year since. In January 2025, M contacted Allianz about a potential claim as it had discovered that an employee had stolen money from it over a period of up to 17 years.

Allianz accepted the claim and said the policy limit for the claim was £10,000.

Mr G was very unhappy about this, as it is significantly less than the amount stolen and it says it was expecting the £10,000 to be paid for each year of the policy that the thefts occurred. Mr G says that the term Allianz has relied on, which says that cover is limited to £10,000 in total, was not highlighted to it when it took out the policy and is unfair and onerous. In addition, Mr G says the term is ambiguous and so should be interpreted in M's favour.

One of our Investigators looked into the matter. Initially, he did not recommend the complaint be upheld but after further submissions from M he changed his mind and recommended that Allianz reconsider the claim for theft with a limit of £10,000 per policy year and pay £250 compensation.

Allianz did not accept this is fair or reasonable, so the matter was referred to me.

I issued a provisional decision in January 2026, which explained that I did not agree with the Investigator's second view and I did not intend to uphold the complaint. I provisionally determined that Allianz was entitled to rely on the policy limit set out in the policy. I have copied the main parts of my provisional decision below:

"Business insurance policies provide protection for some of the common things which might happen to a business. No policy will cover every eventuality however and each policy may provide different cover.

The section of M's policy which is relevant here is Section 11, which provides cover for "*theft by employee*". This section of the policy says:

*"Cover*

*...The Insurer will pay the Insured for direct loss of Money or goods belonging to the Insured or for which they are legally responsible caused by any act of Theft committed during the continuation of this Section by any Employee..."*

### *Theft By Employee*

As with all insurance policies, this cover is subject to various terms and conditions. I have set out the relevant conditions below:

#### *“Limit of Indemnity*

#### *The liability of the Insurer under this Section*

#### *1) in respect of any One Claim*

*a) caused by one Employee shall not exceed the Limit of Indemnity stated in the Schedule applicable to that Employee ...*

*c) irrespective of the number of Periods of Insurance during which the insurance by this Section (and any insurance issued in substitution therefore) shall remain in force shall not exceed the Limit of Indemnity stated in the Schedule”.*

“One Claim” is defined as:

*“All acts of Theft throughout the continuation of this insurance (or any insurance issued in substitution therefore or for which this insurance is substituted) committed by one individual Employee or by 2 or more Employees Acting in Collusion.”*

The schedule of insurance states:

*“Section 11 Theft By Employee...*

*Limit of Indemnity any one Employee £10,000”.*

Mr M says that the above terms are ambiguous and it is not clear that Allianz intended this to mean a total of £10,000 and would not be a maximum limit of indemnity of £10,000 per policy year. He says the limit does not reconcile with the definition of “*Period of Insurance*”.

I do not agree. I think it is sufficiently clear and unambiguous that however many acts of theft were committed by any one employee and over however many periods of insurance, it would be treated as “*one claim*” and therefore subject to the maximum limit of indemnity of £10,000.

I also do not think this term is fundamentally unfair such that Allianz should not be entitled to rely on it. Mr G has suggested it fundamentally alters the basis of the insurance policy where all other limits are annual. I do not agree. Insurers are generally entitled to decide what cover they wasn't to provide and I think it is not unfair or unreasonable for Allianz to decide that a claim for theft by one employee will be limited to £10,000 (regardless of how many individual acts of theft occurred). I do not agree that this fundamentally alters expected cover, converting ten years' of premiums into a single year's indemnity limit. Instead, I think it is, a term that defines the limit of the cover and as such is not unfair.

M has also argued that the terms above should not be relied on because they were not made clear to it when it took out the policy.

The policy was not sold to M by Allianz, so it is not responsible for M's understanding of the cover at that point. Many of the regulations referred to by M and the Investigator pertain to the sale of the policy and therefore are outside the scope of this decision.

Having said that Allianz had a responsibility to provide clear, fair and not misleading information about the policy and the cover provided. And there are requirements about the information that should be contained in the various documents, including the Insurance Product Information Document ("IPID").

I have considered the documentation provided. Having done so, I cannot agree with the Investigator that the policy terms, which I've set out above, are buried in the policy document. It happens this is a policy with several sections of cover, so the full policy wording is a long document. The above terms are on page 104 of the policy but they are in the "*theft by employee*" section, which is where one would expect them to be.

I have also considered the other documentation including the IPID and the policy schedule. Both contain warnings that the policyholder should read all the documents together for a full understanding of the cover.

As mentioned, the relevant rules provide that Allianz should highlight significant and unusual terms in the IPID. Allianz says sufficient information about the theft by employee section of cover was contained in the IPID but Mr G disputes this. However, I do not consider I need to make any finding about whether Allianz complied with its duties here, in order to fairly determine this complaint. I say this because again, as mentioned above, Allianz did not sell the policy to M, so it was not responsible for providing the information to it before the sale. Any lack of information or understanding about the cover would be for the seller to resolve.

In addition, even if Allianz did not include all the information it should have done in the IPID, it does not automatically follow that it should be required to disregard an otherwise plainly worded and fair policy term.

When it has been established that an insurer has done something wrong, I have to consider what, if anything, needs to be done to put that right. This would usually involve considering what difference the wrongdoing might have made, if any, to the complainant.

In this case, as stated any lack of understanding about the policy cover and limits at the point M took out the policy would be for the seller to resolve. The cover provided would still be dependent on the full policy terms and the cover was, in my opinion, set out clearly in those terms and the schedule.

Overall, having considered everything carefully, I do not think it has made any difference to M that the limit of indemnity was not in the IPID. (Again, for the avoidance of doubt, any arguments M has about whether it would have tried to find cover without this limit for theft by an employer are not ones I can consider in this complaint against Allianz.)

It therefore follows, that for all the reasons set out above, I do not intend to uphold this complaint, as I am not persuaded that the term limiting the indemnity for theft by an employee to £10,000 is unfair and should not be relied on."

## Responses to my provisional decision

I invited both parties to respond to my provisional decision with any further information or arguments they want considered.

Allianz has confirmed it accepts my provisional decision.

M does not accept my provisional decision and asked that I review my findings. M has restated a number of the points it has already made in support of its complaint. I have considered everything it has said again and summarised its response as follows:

- Allianz failed to comply with its regulatory duties in relation to provision of information about the policy and it is fundamentally unfair to apply an “*undisclosed, aggregated (multi-year) limit in the context of a contract*”, which is an annual one.
- The policy schedule does not warn that the limit is anything other than annual one and would not operate in the same way as the rest of the policy cover and refresh every year. The term is therefore ambiguous and unfair.
- The term is unfair and it creates a significant imbalance to M's detriment.
- The documents do not explain how this limit is meant to operate where theft spans multiple annual periods and/or where there are different insurers across those periods. It is not defined in the policy wording as are other clauses and therefore does not exist in reference to reading the documents together.
- The policy is renewed and paid for annually. The Policy Summary describes the policy as having a 12-month period of insurance and being annually renewable (unless the schedule shows differently) and does not state this is any different for this section of cover. The reasonable expectation is therefore that limits refresh each policy year unless explicitly and prominently stated otherwise.
- The term negates the value of cover, does not allow informed decision-making and does not put the customer's interests at the heart of the communication as required by the Consumer Duty.

## 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 have considered all the evidence again and the points M has made in response to my provisional decision. I realise that M is disappointed with this decision, having already received a recommendation from the Investigator that the complaint should be upheld. However, both parties are entitled to appeal to an ombudsman - the final stage in our process - and it is my role to review the matter afresh and make my own decision as to the appropriate outcome. It is only an Ombudsman's decision that is binding. Having received this complaint, I am required to determine it by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case. And having considered everything carefully, I remain of the opinion that it should not be upheld.

I do not agree that the £10,000 claim limit that has been applied to M's claim alters the nature and value of cover, as M has stated. Rather it sets the limit of cover for this insured event. As stated in my provisional decision, Allianz is entitled to decide what level of cover it is willing to provide in exchange for the premium charged and it has decided that theft by an employee cover will be limited to £10,000 for one employee (however many individual acts of theft there may be) and £50,000 in total. I do not consider the policy terms about this (as set out in my provisional decision) to be ambiguous or inherently unfair.

As stated in my provisional decision, even if Allianz did not explain the fact that it would treat all acts of theft by the same employee as one claim (which is defined in the policy) in the IPID documents and policy summary, and thereby breached regulatory requirements in that regard (which I do not make any finding about) it does not automatically follow that it cannot rely on that policy term.

Again, any lack of understanding about the policy cover and limits at the point M took out the policy would be for the seller to resolve and not Allianz. And any arguments M has about whether it would have tried to find cover without this limit for theft by an employer are not ones I can consider in this complaint against Allianz.

The cover provided is still be dependent on the full policy terms and the cover was, in my opinion, set out clearly in the policy document.

M has also said the policy should explain how it would operate if other insurers have been on cover. I do not consider that an insurer is required to do this. In any event, I can only consider Allianz's handling of this claim and for the reasons given, I do not think it has acted unfairly in applying the policy limit of £10,000.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 9 March 2026.

Harriet McCarthy  
**Ombudsman**