

sent by email

from **Caroline Wayman**
chief ombudsman &
chief executive

write to **Financial Ombudsman Service**
Exchange Tower
London
E14 9SR

12 May 2020

Dear colleague

I hope that you are keeping well at this challenging time. I am writing to you, along with other leading insurers, regarding our work on business interruption insurance issues.

You will have seen the FCA's recent announcement that it intends to seek legal clarity in business interruption insurance cover. We have of course been working closely with the FCA, and we are considering carefully what that means for cases that may come to us.

The full detail of what the court will decide isn't yet clear. And having seen relatively small numbers of cases so far – we are not yet able to say precisely how this might affect our progression of individual complaints to our service. For example, it might be appropriate for us to pause our consideration of certain disputes that could turn on the outcome of the FCA's legal action, not least given the law is something we need to take into account. We will continue to keep our website updated as more information becomes available.

For complaints we are able to progress, it is likely that we will select a handful of 'lead' cases to explore the underlying issues – and reach fair and reasonable decisions in the quickest and most efficient way. We will do all we can to resolve things promptly where that is possible and appropriate, given the extremely difficult circumstances faced by many customers and the issues involved for insurers themselves.

As well as the close work with FCA, my team and I have had helpful conversations with the ABI, BIBA and groups representing SMEs to understand the breadth of the business interruption insurance market in the UK, and how insurers are considering claims as well as the necessary context and issues at play.

We are, however, conscious that many insurers may have further information that they want to share with us to illustrate a broader range of policies, as well as evidence of how they are considering claims and possibly information about how they were sold.

Many insurers have been in contact with us directly already offering to share with us information they think would be relevant for us to see. I wanted to acknowledge that and ask that, if you do have any further information you think it would be helpful for us to see as we continue to look at the broad issues, we would be very grateful if you would send it to us.

We are starting to see some individual complaints come to us now as well – although at this stage, the numbers are relatively modest. Where we receive individual complaints, we will also follow the usual process which includes asking insurers and the small businesses bringing the complaints for details relevant for that case.

If you or your teams have any questions about what information it might be useful to send to us, to help our stated aim of understanding the market more broadly, our head of external

relations, David Bainbridge, will coordinate this from our side. I have copied him into the email to which this letter is attached.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'C. Wayman', with a horizontal line extending to the right.

Caroline Wayman
chief executive & chief ombudsman