

## The complaint

A company I'll refer to as W has complained that Allianz Insurance Plc unfairly turned down its business interruption insurance claim after it was forced to close due to the Covid-19 pandemic.

Mr L, a director of W, has brought the complaint on W's behalf.

## What happened

W held a business interruption insurance policy with Allianz. It claimed on its policy after being forced to close by the Government's actions in response to the Covid-19 pandemic.

Allianz turned down W's claim. It said that the main business interruption section of the policy and the extension for denial of access didn't provide cover because Covid-19 hadn't caused damage. It said that, while the policy covered business interruption as a result of a notifiable human disease occurring at the premises, W had closed as a result of the Government Act in response to the national pandemic.

W was unhappy with Allianz's response and brought the complaint to our service.

Our investigator looked into W's complaint but didn't recommend it be upheld as he didn't think W had closed due to someone at its premises having Covid-19.

W asked for an ombudsman's 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.

I'm sorry to hear that the pandemic and the Government's related actions had an impact on W's business. But I'm not going to uphold its complaint. I'll explain why.

Business interruption insurance offers protection from risks common to a business, but different policies can provide different types of cover. What is and isn't covered is set out in the policy terms and conditions. I've therefore looked carefully at this particular policy to see if Allianz have acted fairly, reasonably and in line with the terms and conditions of the policy when declining W's claim.

The most relevant part of W's policy covers loss resulting from business interruption or interference in consequence of:

*“closure or restrictions placed on the Premises on the advice of or with the approval of the Medical Officer of Health for the Public Authority as a result of a Notifiable Human Disease occurring at the Premises”*

The policy defines a Notifiable Human Disease as:

*“An illness sustained by any person caused by  
a food or drink poisoning  
b any human infectious or contagious disease  
an outbreak of which the competent local authority has stipulated shall be notified  
to them”*

In order for this extension to provide cover, the interruption or interference to W's business would need to be as a result of the closure or restrictions on W's premises in consequence of a notifiable human disease occurring at W's premises. Covid-19 is a notifiable human disease, but I haven't seen anything to indicate that there was a case of Covid-19 at its premises. Instead, W appears to have closed as a result of the Government's actions in response to the national pandemic. As there isn't anything to indicate that W closed as a result of a case of Covid-19 at its premises, the policy doesn't provide cover for the circumstances of its claim.

I appreciate this isn't the outcome W was hoping for, but having considered the matter very carefully, I don't think I can fairly require Allianz to pay W's claim.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 9 November 2021.

Sarann Taylor  
**Ombudsman**