

The complaint

Mr C complains about Hiscox Insurance Company Limited's ("Hiscox") decision to not progress his claim under his bicycle insurance policy, unless he allows a third-party company to carry out their enquiries.

What happened

Mr C says his bicycle was stolen so he reported this to Hiscox to make a claim under his policy. Mr C says he provided all information requested to the broker – who I'll refer to as company B. Mr C says despite this, Hiscox appointed a third-party company – who I'll refer to as company C – to carry out further enquiries. Mr C says he has provided all relevant information to company B and the police so company C can get any information from them. Hiscox explained company C had been appointed by them to help validate the claim and Mr C would need to co-operate with their enquiries. Mr C complained and said he doesn't have any contract with company C and the policy terms and conditions also don't make any reference to them. Mr C explained he had concerns about how his personal data had been shared with company C. He also complained his claim hadn't progressed which meant he's in a position where he doesn't have a bicycle and he can't buy a new one until his claim is settled.

Hiscox responded and explained they could see Mr C had provided documentation showing ownership of the bicycle and accessories along with CCTV images of the incident. Hiscox explained they have a responsibility to substantiate all claims and, in order to do this, they may require further information surrounding the circumstances of the loss - and they often use a third-party company to obtain further information. They said, in this case, they'd appointed company C as Hiscox had been unable to reach a decision based on the information provided. Hiscox said they do need to continue with their review and company C will need to gather further information on Hiscox's behalf. Hiscox referred to their privacy policy and sections of the policy schedule which discussed how they use Mr C's personal data.

Our investigator looked into things for Mr C. She thought Hiscox hadn't acted unreasonably in appointing company C and in expecting Mr C to co-operate with their enquiries. Mr C disagreed so the matter has come to me for a 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.

Having done so, I've decided not to uphold the complaint. I understand Mr C will be disappointed by this but I'll explain why I have made this decision.

My starting point is Mr C's bicycle insurance policy booklet. This sets out the terms and conditions and under a section headed 'General terms and conditions', it says, "*within 28 days of notifying us of a claim or anything likely to give rise to a claim, give us, at your expense, any information, including proof of ownership, which we may reasonably require*

and co-operate fully in the investigation of any claim under this policy." I've seen Mr C has provided relevant information such as ownership documents, details of the claim circumstances and CCTV evidence – and this is accepted by Hiscox.

It's not unusual or uncommon however for an insurer to appoint a loss adjuster to carry out enquiries to help with validating a claim. And that's what Hiscox have done here in appointing company C. I think it's a fair step for them to take as part of their investigation into the claim. I acknowledge Mr C says he has provided company B and the police with all relevant information, and he questions why company C can't approach them for further information. But it appears one line of enquiry company C wish to make is a recorded interview – so that isn't something which company C will be able to obtain from company B or the police. So, in asking Mr C to co-operate with company C's enquiries, Hiscox are acting in line with the policy terms and conditions. And, given the nature of the enquiries they wish to make, I don't think they're acting unfairly in expecting Mr C to co-operate before they're able to reach a decision on the claim.

I can see Mr C queries where in the policy it specifies that he agrees to be interviewed by a third party and for this to be recorded. I do acknowledge the policy terms and conditions don't specify this, but then I wouldn't consider it reasonable to expect a business to list all possible lines of enquiry they, or loss adjusters on their behalf, would expect to carry out. This would very much depend on a case by case basis but I think it's reasonable in the circumstances here that the policy terms and conditions do make it clear that a customer is expected to co-operate in the investigation of a claim.

I acknowledge Mr C is concerned about how his personal data was shared with company C. Mr C's Policy Schedule, under a section headed 'Using your personal information', says, "*We collect and process information about you...to process claims...This may involve sharing your information with...our group companies...such as...loss adjusters...*" Company C are loss adjusters so I think Hiscox have provided clear and reasonable notice around who Mr C's personal data may be shared with. So, I can't say Hiscox have acted unreasonably in sharing any information with company C as this was required for the purpose of investigating the claim. I do acknowledge Mr C has concerns about company C being involved even though he doesn't have a contract with them. And he also refers to the policy wording which defines the terms 'Us' and 'We' and says this doesn't include reference to a third-party company. But, as mentioned above, Hiscox are entitled to appoint a loss adjuster to help validate the claim.

I can see from email exchanges between Mr C and Hiscox that he's concerned about how his personal data will be used and stored by company C. I can see company B provided Mr C with a link to company C's privacy policy after he raised concerns with them about his personal data. I've looked at company C's privacy policy and this contains information about how and why they use personal data and about protecting personal data. I think company B took appropriate and reasonable steps here to address Mr C's concerns.

I understand why Mr C has complained, but I can't say Hiscox are acting unfairly here as they are entitled to carry out reasonable enquiries to validate a claim. And, given that I think these enquiries are reasonable in the circumstances of this case, I can't say they're acting unreasonably in declining to progress the claim until those enquiries have been completed.

I wish to reassure Mr C I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 June 2024.

Paviter Dhaddy
Ombudsman