

## **The complaint**

Mr S is unhappy Royal & Sun Alliance Insurance Limited didn't pay a claim he made on his wedding insurance policy in full.

## **What happened**

Mr S was due to get married in 2020. The original date had to be moved due to the Covid-19 pandemic and was rearranged (at the same venue) for June 2022. The booking receipt said this was for three nights at a cost of £6,000. In October 2021 Mr S discovered there was a problem with the venue's planning permission and in future it would solely be used as holiday accommodation (and wouldn't hold events).

He rearranged his wedding at an alternative venue. He obtained a refund of the £6,000 he'd paid from his credit card provider and made a claim on his policy with RSA for the additional costs of rearrangement. He said the cost of the new venue was £5,195 but as it didn't offer accommodation that had been booked separately at a cost of £1,725 for three nights. He claimed for the additional £920 he'd spent over his original budget.

RSA accepted the claim. But it said the policy only covered the wedding day and the day before or day after. So it thought the comparison should be based on two nights accommodation at the rearranged venue. It also said some of those costs had been paid by Mr S's father and so that wasn't a loss to him. Taking into account the policy excess it said the amount due to Mr S was around £250. But it said it would review matters if Mr S was able to provide a more detailed breakdown of the costs that would have been charged by the original venue.

Our investigator was satisfied the policy only covered two night's accommodation. So he thought only that should be considered when deciding on the amount budgeted for the original wedding. But he thought it was reasonable of RSA to say it would need to see evidence of the breakdown of that budget. He didn't think it was reasonable to simply split this into thirds (£2,000 a night). Some of the £6,000 Mr S paid might relate to event rather than accommodation costs. He also thought it was appropriate of RSA to deduct the amount paid by Mr S's father as he hadn't shown that was a loss to him.

Mr S didn't agree. He said the original venue hadn't been providing catering and so costs relating to that didn't form part of the amount paid to it. He accepted that his father's payment shouldn't be included but still thought his loss was around £816 (less the policy excess). 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.

The relevant rules and industry guidelines say RSA has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably.

I've looked first at the terms and conditions of Mr S's policy. This does cover rearrangement costs and RSA has accepted Mr S's circumstances are covered by his policy. And it says "*in the event of cancellation or curtailment of the wedding, wedding reception or wedding services for reasons shown in Part 1 above, we will pay up to the amount shown on your Schedule of cover to reimburse you for additional costs paid in rearranging the wedding and/or wedding reception and/or wedding services to a similar standard to the amount originally budgeted*".

Wedding services are defined as "*Any supplier you have a written contract with to provide services at or for the wedding or wedding reception on the wedding date or wedding reception date given*". In this case the wedding date was 4 June with the reception taking place on the same day. I think it's reasonable to say accommodation for the night before and night after the wedding (two nights) would constitute a 'wedding service' as defined by the policy.

As a result I think RSA were right to assess the rearranged wedding on the basis of two night's accommodation (rather than the three claimed for). But I think that should be done on a like for like basis. The reference to the amount "*originally budgeted*" is in a section which refers back to wedding services as defined in the policy. So it's the budget for things falling within that definition which should be considered as part of this calculation (which in this case would again be two nights accommodation).

The difficulty is in understanding how that applies to the £6,000 Mr S paid to the original venue. It appears he's effectively paid a flat fee for exclusive use of the venue over the hire period. Clearly some of those costs will reflect overnight accommodation. But he was also holding an event (the wedding reception) at the venue. So he would have been making use of its facilities (including its kitchen and rooms) in a way that wouldn't have been the case if that event wasn't taking place.

I can also see the venue offered its own catering (as set out on a sample menu it sent Mr S). I appreciate he was going to use his own suppliers. But if he agreed costs with the venue on that basis I think it's likely the amount charged would have reflected that. The venue would have wanted to recoup some of the money it lost because it wasn't arranging these services itself.

And online information about the venue's planning application from September 2021 says it had been holding events (including the use of a marquee) but that in future it would solely be used as holiday accommodation. That suggests the venue itself was drawing a distinction between the provision of accommodation and the organising of events such as a wedding. I think that also suggests there would have been additional costs included in the amount Mr S paid to reflect the additional service being provided.

Nevertheless, if Mr S had been able to show £6,000 was the standard rate the venue would have charged regardless of whether an event was taking place or not. I think the cost could reasonably be apportioned to each night in thirds. Unfortunately Mr S hasn't been able to provide clear evidence in support of that.

And the policy does say "*you must provide us with any information and assistance we may require about any claim*". I appreciate it may be difficult for Mr S to provide more information on what the payment to the original venue included (I understand it has now been sold). But the question for me is whether RSA acted fairly in deciding, on the basis of the evidence it had, that no further payment should be made under the terms of his policy. For the reasons I've explained I think it did.

However, I'd expect it to look again at the claim if Mr S is able to provide further information. I note there is correspondence with the venue (from August 2019) which refers to Mr S accepting an offer it had made. If that offer provides a breakdown of what the venue would be providing this could be relevant to Mr S's claim. But in the absence of additional information I don't think there's further action RSA needs to take in relation to this matter.

### **My final decision**

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 31 August 2023.

James Park  
**Ombudsman**