

The complaint

Mr G complains that Safe World Insurance Group (UK) Ltd declined a claim he made under a deposit protection insurance policy.

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'll summarise the main points about this dispute:

- Mr G paid a deposit for the installation of a heat pump by a company who I'll call E. He was provided with a deposit protection policy underwritten by Safe World.
- Later, he cancelled the installation and asked E for his deposit back. When he thought he wasn't going to receive it, he got in touch with Safe World to make a claim under the deposit protection policy.
- Safe World declined the claim because it said E was still trading. Mr G later got back in touch with Safe World when E was in liquidation. Safe World said the policy had expired by this time and the claim remained declined.
- The policy ran for 120 days, from 25 January 2022 to 25 May 2022. It covered Mr G's deposit during that time in the event E 'ceased to trade' and couldn't meet the terms of its installation contract with Mr G.
- The policy defines 'ceased to trade' to mean, in summary, that E had stopped trading due to liquidation, receivership, administration, strike off or dissolution of a limited company – which E was.
- On the final day of the policy, 25 May 2022, E was still trading according to the information available on Companies House.
- Earlier in May, E had committed to returning Mr G's deposit to him, so it was still functioning and communicating. It may not have been meeting its commitment or contractual obligation to him, but it hadn't 'ceased trading' according to the policy definition.
- In a nutshell, Mr G's main point is that E had effectively ceased trading by the time he made his claim, even if that wasn't reflected on Companies House. This is primarily because E didn't meet its commitment to return his deposit. I'm not satisfied that failing to make a payment promptly necessarily means E had literally or effectively ceased trading.

- By February 2023, E was in liquidation according to Companies House, so it met the policy definition of 'ceased trading' by that time. However, the policy had expired long before then.
- Overall, I'm satisfied Safe World acted fairly by declining Mr G's claim.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 September 2023.

James Neville
Ombudsman