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Dear Sir/Madam

Financial Services Consumer Panel (the Panel)'s response to the Draft Guidance: Business interruption insurance (BII) test case - proving the presence of coronavirus (Covid-19)

The Panel fully supports the FCA's proactive approach to publishing this guidance in advance, to ensure that policyholders and providers are as clear as possible on what evidence would be sufficient to prove the presence of COVID-19. This should lead to providers paying claims to policyholders as soon as possible, and sending clear communications to them, through various channels, as early as possible.

Providers have been reminded to act in the customer's best interests and the FCA should monitor firm behaviour closely. This should mean identifying those policyholders who may be vulnerable at this time and signposting to the relevant organisations for further assistance where appropriate. Firms should also be encouraged to be proactive by using skilled staff and resources to quickly identify similar claims and offer redress in an efficient manner.

Although the FCA has set out the process for claims falling under this category of policy wording clearly, given the inherent complexity of these claims, the process may still be difficult for some policyholders to navigate. The Panel suggests the FCA require firms to establish simple, clear online tools that identify all data relevant to the group of claim, and well-designed claims forms that automatically populate, from the various data sources referred to in the guidance. This would help policyholders better navigate the claim process and speed up the process for insurers.

The FCA should also consider, if there is evidence of poor practice in the handling of these claims, prescribing the nature and content of these online tools as far as it is practical to do so. This would overall boost transparency and consistency making it easier for the FCA to scrutinise and lead to fairer, quicker outcomes for policyholders.

Yours faithfully

Wanda Goldwag
Chair, Financial Services Consumer Panel