

The complaint

Mr H complains that DAS Legal Expenses Insurance Company Limited ("DAS") has unfairly declined a claim he made under his legal expenses insurance.

What happened

In February 2019 Mr H contacted DAS to make a claim under his legal expenses policy following a dispute with Company A — an online trading provider.

DAS considered the claim, but said Mr H's dispute with Company A was over protection of his shares and related financial losses. And it said Mr H's policy excluded disputes about this activity so it declined the claim.

Mr H said DAS was incorrect to say his dispute with Company A was about investment of stocks and shares. Instead he said his complaint was about a contract for services related to the use of the online platform he had used for spread-betting. Mr H also challenged the qualifications and experience of the DAS representative who handled his claim.

One of our investigators considered Mr H's complaint. She found the exclusion DAS relied upon specified that the policy wouldn't cover any disputes arising from an investment. And she said DAS' interpretation of the dispute, that the contract was in place for investment purposes, was reasonable. So she didn't uphold the complaint.

Mr H disagreed and reiterated that spread-betting wasn't an investment and instead a form of gambling. Our investigator responded to say the Financial Conduct Authority (FCA) would class spread-betting as an investment. Because an agreement couldn't be reached the complaint has been passed to me for 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.

Having done so, I'm not upholding this complaint. I'll explain why.

Mr H's legal expenses policy provides cover in various situations, including employment disputes, contract disputes, personal injury and others. And like most insurance policies, each of these insured incidents have certain exclusions where cover won't be provided.

I've looked carefully at Mr H's policy. Under the contract disputes section he has claimed under, the policy says it will exclude cover for any claim relating to "*... a dispute arising from any loan, mortgage, pension, investment or borrowing.*" So in deciding this complaint, I need to consider whether Mr H's activity on the trading platform could be fairly considered an investment, and if it is, whether the dispute he has with Company A has arisen from that.

Mr H has been clear that he believes his dispute originates from the *services* Company A provided to him. He says its platform did not provide accurate prices and had acted against FCA rules, and this dispute does not relate to any investment as it wasn't providing him with

investment advice. And instead was a trading platform for spread-betting, which he says isn't a type of investment.

DAS has said Mr H's use of Company A's platform was for the purposes of gaining a return on the money he placed within it. And in turn it has deemed this activity to have been for the purpose of investment, and his dispute about the platform arose from that investment.

The policy terms don't give a definition of what an investment is. But, as our investigator has outlined, for the purposes of the FCA (the regulator), spread betting falls under the umbrella of financially regulated investment instruments. For this reason I'm persuaded DAS has fairly categorised the activity Mr H has described he undertook with Company A as a type of investment. In turn it's clear to me that the dispute itself originates from this *investment* – as Mr H's complaint about the platform came from the financial losses he incurred.

Mr H also says the term is intended to apply to situations where someone is unhappy with advice they have received about an investment, and he wasn't given any advice. But the term doesn't refer to advice; it says there is no cover for *any* dispute arising from an investment. And his dispute arose from an investment.

So I'm satisfied DAS has fairly declined this claim under the terms of the policy, and I'm not asking it to do anything further.

My final decision

For the above reasons I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 7 July 2020.

Jack Baldry
Ombudsman