

The complaint

Mr S complains about how Royal & Sun Alliance Insurance Limited (“RSA”) is dealing with a claim he made on his legal expenses insurance policy.

What happened

The details of this complaint are well known to both parties, so I don’t intend to repeat them in detail here. In brief, Mr S wishes to make a claim under his legal expenses policy for a breach of contract claim against a medical professional.

RSA said that as Mr S already had a claim being considered against a different individual, but which in part, potentially related to the influence of the same medical professional, it would only allow one limit of indemnity for the two claims. It referred to a policy term which says any legal proceedings from one originating cause or event, would be treated as one claim for the purposes of the policy.

Mr S disagreed and provided a supportive legal opinion as to why the claims are distinctly separate. Because of this he said they should each have their own limit of indemnity.

Our investigator looked at the complaint and agreed the claims should have their own limit of indemnity. She said that Mr S wanted to make a breach of contract claim for other matters unrelated to those potentially relevant to the first claim. And in any event, it was only Mr S’s belief the medical professional had an influence on the first claim, rather than a proven fact.

RSA disagreed with the investigator and asked for an ombudsman to consider the complaint.

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 agree with the conclusions reached by the investigator for the following reasons:

- The policy term RSA seeks to rely on says ***“We will provide the following cover for legal expenses up to £100,000 for any one claim unless your Schedule states ‘Not insured under this policy’.”*** It defines any one claim as ***“All legal proceedings, including appeals, arising from or relating to the same original cause or event.”***
- I can understand why RSA believe the claims are linked by the same original cause or event, as the actions of the medical professional are cited in both claims. And I don’t think some of the initial information RSA received helped make matters clear.
- However, the difference here is the claim for breach of contract centres on the medical professional allegedly failing to adhere to the terms of the original agreement for treatment.
- While Mr S may believe the medical professional also had some influence in the background of his other claim, ultimately that claim is against a different individual for a different event.

- RSA relies on the fact the terms don't say the claims have to be against the same person for them to be treated as one. And while that maybe the case, it doesn't say the opposite either. So, where the policy is silent on that matter, I don't think it is fair or reasonable to apply this interpretation after the event.
- Having considered everything, I'm satisfied that on a fair and reasonable basis the claims don't originate from the same cause or event and therefore RSA should provide Mr S with a separate limit of indemnity for the breach of contract claim.

For the reasons above, I uphold this complaint.

Putting things right

RSA should provide a separate limit of indemnity for Mr S's breach of contract claim.

My final decision

My final decision is that I uphold Mr S's complaint against Royal & Sun Alliance Insurance Limited. I direct it to put matters right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 April 2022.

Alison Gore
Ombudsman