

The complaint

Mr B complains about Amtrust Europe Limited's handling of a legal expenses' insurance claim.

References to Amtrust include actions of its agent who handled the claim.

What happened

- Mr B held legal expenses cover through a home insurance policy from around February 2017.
- He made a claim in 2021 to pursue his employer and provided details to Amtrust.
- It was apparent from the information that Mr B was claiming unfair treatment since 2016 and he evidenced these as diary entries he'd been keeping since that time.
- Shortly after, Amtrust indicated that the dispute pre-dated the policy start date and so wouldn't be covered.
- Notwithstanding, Amtrust asked for further information which Mr B provided and again Amtrust advised Mr B that as the series of events started before the policy it wasn't covered and advised him of his option to use the legal helpline and to check whether he previously held legal expenses cover for the period before his Amtrust policy.
- Mr B asked Amtrust to reconsider its decision saying that his claim was only for events that started in 2019.
- Ultimately, Amtrust maintained its decision but during its review asked for information from Mr B that he'd already provided.
- Amtrust offered Mr B £100 compensation for the delay in reviewing its decision given it asked for information it already had.
- Our investigator considered the three months it took Amtrust to deal with the matter and thought £200 compensation was more appropriate. But she didn't think Amtrust had affected the prospects of Mr B's claim.
- Amtrust accepted what the investigator said but Mr B feels £3,000 compensation is fair.

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 policy is clear that cover is for insured events that take place in the period of insurance, which in Mr B's case is from February 2017 when his cover started. And 'insured event' is defined as *"the incident of first of a series of incidents which may lead to a claim under [the policy]. Only one insured event shall be deemed to have arisen from all causes of action, incidents or events that related by cause or time."*

I'm satisfied the unfair treatment Mr B complains about, and so the subject of his proposed claim against his employer, pre-dated the start of the policy. I say this because Mr B set out the details of his proposed claim as "...*treatment for a number of years which I hold all records in my diary from 2016 to date.*" He provided a list of events he'd recorded in a diary from before the policy start date to substantiate his proposed claim. And in addition, a letter from the employer to Mr B explaining the outcome of a grievance appeal included reference that Mr B had raised concerns about managers and colleagues from 2014. As such, I'm satisfied Amtrust fairly declined cover on the basis that Mr B provided evidence the first series of incidents began before his policy.

I understand Mr B says the events had nothing to do with his later complaint, but I'm not persuaded. He's been clear throughout that the unfair treatment he experienced began in at least 2016 when he started recording incidents.

Amtrust's handling wasn't efficient, and I accept what Mr B says about how frustrating he found it in having to supply information that he'd already sent. This delayed the finality of Amtrust's claim handling process although it was apparent from early on that Amtrust had made its position on the outcome clear. Because Amtrust had been consistent from early on with reasons as to why Mr B's claim wasn't covered, the impact of the poor handling was limited. I'm satisfied £200 fairly reflects the inconvenience and frustration caused.

Putting things right

Amtrust must pay Mr B a total compensation award of £200.

My final decision

I uphold this complaint and require Amtrust Europe Limited to pay Mr B £200 compensation (less any amount it has already paid).

Amtrust must pay the compensation within 28 days of the date on which we tell it Mr B accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 December 2022.

Sean Hamilton
Ombudsman