

The complaint

Miss K's complaint is about DAS Legal Expenses Insurance Company Limited's handling of a claim on her residential landlord's insurance policy.

What happened

Miss K made a claim on her DAS residential landlord's policy for cover to evict a tenant and to receive a pay out for arrears of rent.

Miss K says she was a vulnerable customer and had to make DAS aware of her circumstances several times when she made her claim in order for it to be progressed. She feels that DAS caused delays during the course of her claim, that there was a lack of clarity and communication about the status of it and that they failed to acknowledge correspondence and documents she sent in. Miss K feels this compounded the difficult financial position she already found herself in, as well as the stress and anxiety she was suffering. She also says this caused her financial loss.

DAS considered Miss K's complaint and agreed that it should be upheld. They acknowledged there were delays on their part and they asked for information that they already had in their possession. They also accepted they failed to proactively and consistently manage her claim. Because of this they offered Miss K £300 in recognition of the distress and inconvenience she suffered and then a further £50 to account for further delays in reviewing and responding to correspondence from her. These sums have now been paid to her by DAS. Miss K wasn't happy with this so referred her complaint to this Service.

Our investigator considered Miss K's complaint and concluded that the offer DAS made to compensate her for their actions was fair and reasonable in the circumstances. Miss K doesn't agree. She feels this doesn't go far enough to compensate her for their actions, so the matter has been referred to me to determine.

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 intend to uphold Miss K's complaint. I'll explain why.

DAS have accepted that they didn't deal with Miss K's claim as they should have. In particular, they accept that they asked for information about her claim on a few occasions when they already had that information in their possession.

They also accept they caused unnecessary delays. It took DAS three weeks to instruct their panel firm to act for her when they could have done this much sooner. And they didn't return a call Miss K made, meaning she had to chase them for this. A further delay of a week occurred as a result of DAS failing to identify Miss K had provided them with information they'd already requested, which she had to point out to them again. And after they

responded to her complaint, there was a further delay in reviewing and responding to correspondence from Miss K about her claim.

DAS also accept that the overall quality of service Miss K received could have been better. In particular, they accept that they didn't proactively and consistently manage her claim and that this could have been better co-ordinated. In addition, they say Miss K could have been better informed by them of the current position and next steps. DAS acknowledge they told Miss K being that a rent guarantee payment would be made to her despite a complete and satisfactory reference from the tenant not being available at the time. So, all in all I don't think DAS' actions are in dispute here. What is in dispute however is how that impacted on Miss K.

Miss K refers to being vulnerable and says the impact of DAS' handling the claim on her was considerable. I asked the investigator to find out more about why Miss K says she was vulnerable. Miss K said that her claim took place during the Covid-19 pandemic which coincided with her being made redundant. With no rental income coming in and no other source of income, Miss K said she felt very vulnerable. She was also worried because Covid-19 had been reported to affect people from ethnic backgrounds during this period. I have no information about whether Miss K became unwell as a result of Covid-19 but if not, from what she's told us, this was a source of worry for her.

I appreciate that the purpose of having this cover in place was for Miss K to be able to utilise it in the event her tenant stopped paying rent and she needed to evict them. And I know that her experience with DAS would've been both stressful and inconvenienced her on more than one occasion, particularly in light of her own personal circumstances. But I don't think she suffered any financial loss as a result of DAS' actions. I say so because she was able to successfully claim on the policy for rent arrears. Certainly, I haven't been presented with any evidence to suggest that the delays caused by DAS prevented Miss K receiving what she was entitled to for the period she was claiming for. I appreciate Miss K was even more worried about difficulties in progressing her claim given she had no other income coming in but that's not something I can hold DAS responsible for. And I know that she feels the claim for eviction hasn't progressed as quickly as it should have but as the investigator explained, I can't consider anything new that has happened after she brought our complaint to us because that would amount to a new complaint that DAS has yet to address.

That being said, I think DAS' offer of £350 to compensate Miss K for their conduct falls short given her specific circumstances. Because of this I indicated to both parties that I intended to increase the award suggested by our investigator to £500 which I think is more in line with what we'd award in these sorts of circumstances. I say so because I expect DAS' actions would've exacerbated an already stressful set of circumstances Miss K had found herself in, which I've referred to more specifically above. DAS have said that they don't think Miss K's circumstances are something they're responsible for nor the impact of their conduct on those circumstances. They also suggest the timing of the problems Miss K experienced was such that Covid-19 and its associated risks were considerably less than they would have been during the height of the pandemic. Because of this they don't think this has anything to do with their conduct. I don't agree. We do hold businesses responsible for something they've done wrong and when considering compensation, we look at the specific impact this would've had on a customer in *their* specific circumstances. It doesn't matter whether DAS consider it reasonable for Miss K to feel vulnerable about the Covid-19 pandemic at that time nor that they weren't responsible for her being made redundant. The point is these were factors Miss K has told us were affecting her and made her feel vulnerable. And even if I discounted the impact of the pandemic, which was and still is a concern for some people, I'm persuaded that Miss K's loss of income alone was a matter that would've been very worrying for her. So having to face the obstacles she did in pursuing her claim would've been unnecessarily exacerbated by DAS's conduct. And for that I think DAS should fairly

compensate her by paying £500.

Miss K has also responded to my suggested award of compensation. She says she felt the delays caused by DAS resulted in her losing the equivalent of at least two weeks' worth of rent from her tenant so she thinks compensation should be equivalent to this. Our investigator asked Miss K for further information about this. She referred to the delays that DAS acknowledged in their final response letter more generally. The investigator also put Miss K's submissions on this point to DAS directly. DAS said the rent guarantee cover paid out close to £10,000 to cover rent arrears that had been incurred, even when the tenant had vacated the property. They say there was no financial detriment caused to Miss K in respect of loss of rents as a result of their delays.

I've considered what both parties said and looked back on everything they've provided. As I said above I'm satisfied there's no evidence of DAS's delays impacting on the rent arrears claim Miss K made or the amount that was paid out to her in respect of this. In addition, I've seen nothing persuasive that supports she suffered a financial loss as a result of DAS' actions. Because of this I remain of the view that the compensation I've suggested of £500 in total remains appropriate.

Finally, I know that Miss K was concerned that DAS had failed to address her queries about accommodation and costs. As the investigator said, DAS asked her to resend her email to them about this so that they can respond accordingly.

Putting things right

DAS should pay Miss K a further £150, representing a total of £500 for the distress and inconvenience caused to her by its handling of her claim. In reaching this conclusion, I've taken into account they've already paid her £350 in compensation. If for whatever reason Miss K hasn't received this, she should contact DAS directly.

My final decision

I uphold Miss K's complaint against DAS Legal Expenses Insurance Company Limited and direct them to put things right in the way I have directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 7 April 2023.

Lale Hussein-Venn
Ombudsman