

The complaint

Mr K's complaint is about a claim he made on his Amtrust Europe Limited legal expenses insurance policy.

Mr K says Amtrust have treated him unfairly by not accepting his claim and causing delays in dealing with it.

What happened

Mr K made a claim on his Amtrust legal expenses insurance policy for cover to pursue a firm of Solicitors that had acted for him.

Amtrust asked for evidence of the legal expenses insurance cover he said he had in place. Mr K provided an email from his insurance broker confirming the dates of cover and enclosing the policy terms. Amtrust asked Mr K for a copy of the policy schedule, but Mr K couldn't provide this. His broker provided confirmation that no policy schedule was ever issued because the cover was provided under a master certificate.

Amtrust took the view that it didn't have enough to validate cover was in place and as such said they weren't prepared to progress Mr K's claim any further. They also said they thought the event complained of didn't fall within the period of cover.

Our investigator considered Mr K's complaint and concluded it should be upheld. She said that Mr K had provided Amtrust with enough evidence to show he had cover in place and given his cover was continuous, Amtrust should consider the claim in line with the remaining policy terms. The investigator also said Amtrust should pay Mr K £150 for the delay their refusal to accept his claim has caused.

Amtrust doesn't agree so the matter has been passed 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 uphold Mr K's complaint for the same reasons set out by the investigator.

The issue for me to determine is whether Mr K has done enough to demonstrate he has cover in place and if so what the impact of Amtrust's failure to accept the position is on him.

Mr K provided Amtrust with an email from his broker confirming the dates of cover and the policy terms and conditions. The email from the broker confirms the cover Mr K held was a legal expenses insurance policy and that it was based on a master certificate number and no schedule was ever issued. The terms themselves make no reference to a policy schedule- which is unusual as legal expenses insurance policies do usually reference this.

Amtrust set out a number of concerns about the information provided. They seem to be:

- The document from the broker doesn't confirm the inclusion of legal cover;
- Mr K provided an obscured document mentioning legal cover but it's unclear whether this is his policy, when it ran from and whether it was taken out at all;
- The policy wording doesn't confirm who the cover applies to- anyone could obtain this online;
- The broker should be able to provide a policy schedule. As things stand there's no evidence of legal cover in Mr K's name being in place.

Given the evidence Mr K has provided and the explanation from his broker around the policy schedule, I don't think the stance Amtrust have taken is reasonable. The email from the broker does confirm the inclusion of legal cover and encloses the policy terms that apply. It also confirms that a policy schedule doesn't exist because the cover derives from a master certificate number but notes the relevant dates of cover and the fact that Mr K was covered. Given the cover ran from 2016- 2019, I think it's reasonable for Amtrust to have accepted the position much sooner. And the fact that they've continued to ask for different and additional evidence since the complaint has been brought to this Service is in my view unreasonable.

It follows that Amtrust should now accept that Mr K has cover in accordance with the terms provided by his broker and pay him compensation for the delays it's caused in this regard. Mr K's claim was first made in May 2022. He referred his complaint to this Service in January 2023- some eight months later because Amtrust refused to consider it. I think £150 in compensation is an appropriate sum to compensate him for the delay Amtrust's refusal to accept his claim have caused him.

I note that Amtrust have said that his claim is unlikely to be one that falls into cover given the date of the event complaint of. Amtrust should note this Service's approach to claims where continuous cover is in place. If a claim doesn't fall within the policy year but falls within a policy period and is being rejected by insurers on consecutive periods where the event must have fallen- we usually direct one of them to cover the claim because it would be unfair not to. Amtrust should take that on board when considering Mr K's claim under the terms of the policy he's provided.

Putting things right

Amtrust should reconsider Mr K's claim under the remaining policy terms and pay him £150 in compensation for the delay caused by its refusal to consider his claim sooner.

My final decision

I uphold Mr K's complaint against Amtrust Europe Limited and direct them to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 September 2023.

Lale Hussein-Venn
Ombudsman