

## The complaint

Mr R complains that Ageas Insurance Limited unfairly declined a claim under his legal expenses insurance policy.

Where I refer to Ageas, this includes the actions of its agents and claims handlers for which it takes responsibility.

## What happened

Mr R made a claim under his legal expenses insurance policy to defend legal action being pursued against him by his neighbour for harassment and trespass.

Ageas declined the claim on the basis that the policy only covers the pursuit of a claim in these circumstances, not the defence of one.

Mr R didn't think this was fair as his policy says it will cover legal costs in connection with the pursuit and defence of a claim. He raised a complaint, which he brought to our service.

Our Investigator didn't uphold the complaint, as he was satisfied Ageas had declined the claim in line with the policy terms and hadn't acted unfairly. As Mr R didn't agree, the complaint has been passed to me to decide.

## 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 terms of Mr R's legal expenses policy says:

*"We will pay costs and expenses...for any of the following insured incidents, in order to pursue a civil claim directly arising from one or more of the following events or causes..."*

*4. Property Protection. Civil actions relating to material property, which is owned by you or for which you are responsible, following:*

- ii) Any nuisance or trespass provided that you are responsible for the first £250 of every claim."*

I'm satisfied the policy is clear that cover is available for the pursuit of these types of claims.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to insure and it will charge a premium based on the level of cover its providing. As long as the cover is set out clearly in the terms and conditions of the policy documents, our service wouldn't involve ourselves in these commercial decisions.

Mr R says the terms aren't clear because the policy's definition of "costs and expenses" includes defence costs. It says:

*"Costs and expenses - Legal and professional fees for which you are responsible, including reasonable fees, costs and expenses incurred by the appointed representative acting for you in connection with the pursuit or defence of legal proceedings."*

I can understand why Mr R may find this contradictory. But an insurance policy must be read as a whole document, rather than looking at sentences in isolation. It's clear from the description of the insured events and exclusions that the policy does cover the defence of a counterclaim in certain circumstances. So it's reasonable for the definition of costs and expenses to include defence costs. That doesn't mean Mr R is covered for defence costs in any circumstances.

Mr R has provided an Ombudsman's final decision on a similar case which is published on our website. Specifically, he points to the reference made to the adjudicator's comments where they didn't think the policy in that case was entirely clear that defence claims weren't covered. He says this supports his position.

It's my role to consider Mr R's complaint on its individual merits and I'm not bound by any other decision our service has made. However, I have reviewed the Ombudsman's decision in that case, and I don't agree that it changes things here. I say this because the decision doesn't quote the policy terms other than an exclusion. So it's not clear what the policy says in respect to the description of cover and insured events. In Mr R's policy, it clearly says cover is available *"to pursue"* civil claims.

In any event, the Ombudsman in that case doesn't go on to uphold the complaint on the grounds of the wording being unclear. It's upheld because of our approach that it's not fair for a legal expenses insurer to turn down an otherwise valid property dispute claim, where a policy only covers pursuit of legal action, just because one neighbour happened to beat the other to the door of the court. I can't see that this applies here, as Mr R has made no mention of having a valid claim against his neighbour on the same grounds that he's being pursued.

Based on the information available, I'm satisfied Ageas' decision to decline Mr R's claim was fair and reasonable in the circumstances.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 18 March 2024.

Sheryl Sibley  
**Ombudsman**