DRN-5748850

The complaint

Mrs B complains that AmTrust Specialty Limited unfairly declined a claim under her legal expenses insurance policy.

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

What happened

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

- Mrs B holds a legal expenses insurance policy, underwritten by AmTrust, effective from 20 October 2024.
- In November 2024, Mrs B submitted a claim to pursue legal action for breach of contract arising from some music lessons.
- AmTrust declined the claim on the basis the series of events giving rise to the claim started before the policy was in force. It relied on a letter before action which Mrs B sent to the music lesson provider which referenced a previous letter of the 18 October 2024.
- Mrs B raised a complaint, which she brought to our Service. She says she entered into the contract in September 2024 but didn't encounter problems until December 2024 when the music provider refused to pay a refund for absent lessons.
- Our Investigator looked into the complaint but didn't uphold it. She was satisfied it was fair for AmTrust to rely on the dates provided in Mrs B's letter before action, which would mean the insured event arose prior to the policy period.
- Mrs B didn't agree. She says the dispute started in November 2024. She's provided a further letter which she sent to the music provider and says she has no record of the one AmTrust relies on but that the dates could've misprinted.

As Mrs B didn't agree with our Investigator, 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.

I'd like to reassure all parties to the complaint that whilst I may have condensed what they've told us in far less detail and in my own words, I've read and considered all submissions. But I won't comment in detail on every single point that has been made. Instead, I'll focus on the key points that are relevant to the outcome I've reached. That's in line with our remit, which is to resolve complaints promptly and with minimal formality.

Mrs B's legal expenses policy says:

> *"The insurance covers costs…where…the insured event takes place in the period of insurance."*

The policy defines the "insured event" as:

> *"The incident or the start of a transaction or series of incidents which may lead to a claim or claims being made under the terms of this insurance."*

The policy has the following general exclusion:

> *"There is no cover where…you knew when first buying this insurance that the circumstances leading to a claim under this insurance already existed."*

When Mrs B submitted her claim to AmTrust, she provided copies of the letters she'd sent to the music lesson provider. This included the following:

- Letter dated 25 November 2024

  "At the time of purchase I was advised by your representative that the contract included: essential terms I have to pay three DD and I have paid two, I didn't pay third one as I am not happy with the way you have dealt with the issue of missed…classes…didn't have lessons on 27th Sept, 18th Oct, and 22 November 2024."

- Letter dated 26 November 2024

  "Consumer Rights Act 2015

  On 12th Sept 2024, you agreed to the following work…11 music lessons…However, I have had the following problems…had 5 lessons till now…hasn't learnt anything in these 5 lessons…I am not satisfied with his learnings, so could I please request to cancel lessons from now onwards. I sent a message on web portal that I wanted to cancel lessons in Oct. but still lessons are continuing."

- Letter dated 27 November 2024

  "Letter before court action…

  Re: Faulty Music lessons 11 lessons

  I have not received a reply to my letter dated 18th Oct regarding the faulty goods which I brought from you on 12th Sept. The letter explained what is wrong with the goods and why I am entitled to a refund."

Whilst these letters were sent within the policy period, they reference problems with the music lessons before the policy was in place. And it's evident from these letters that the problems had been raised with the music lesson provider before the policy was effective.

I appreciate Mrs B says the dates on the letters could've been misprinted. I'm aware some letters can generate the date on which the letter is opened, but that doesn't appear to be the case here. And it's not the date of the letter which is in question, rather it's the dates in the body of the letters which give cause to believe the claim pre-dates the policy.

Looking at these letters, I'm persuaded it was fair for AmTrust to conclude that the series of events giving rise to the claim had already started on 20 October 2024 when the policy was taken out and that Mrs B knew a problem existed which could lead to a claim.

I say this because, on 20 October 2024, Mrs B knew there had been two missed music lessons and that the quality of the lessons which had taken place wasn't to her satisfaction. And she'd sent the music lesson provider at least one letter to that effect stating the goods were faulty.

As such, I'm satisfied AmTrust's decision to decline the claim was fair and reasonable in the circumstances. If Mrs B held a legal expenses insurance policy prior to this one which was in place at the time the insured event arose, she may want to consider raising a claim under that policy.

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 Mrs B to accept or reject my decision before 19 September 2025.

Sheryl Sibley
Ombudsman