

The complaint

Mr G's complaint is about a claim he made on his ARAG Legal Expenses Insurance Company Limited ('ARAG') legal expenses insurance policy, which was declined.

Mr G says ARAG treated him unfairly.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

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 don't uphold Mr G's complaint for broadly the same reasons set out by the investigator. Before I explain why, I wish to acknowledge the considerable submissions Mr G has made in support of his complaint. Whilst I've read them all, I won't be addressing them individually. That's not intended to be disrespectful. Rather it's representative of the informal nature of the Financial Ombudsman Service. Instead, I'll concentrate on the crux of his complaint, namely whether ARAG treated him unfairly.

- The starting point is the policy terms. They say that for the type of claim Mr G wanted to bring they require the date of occurrence to take place after cover began to run. This is defined as "*...the date of the event that leads to a claim. If there is more than one event arising at different time from the same originating cause, the date of occurrence is the date of the first of these events. (This is the date the event happened, which may be before the date you or an insured person first became aware of it.)*" The first issue for me to determine is therefore whether the date of occurrence applicable to Mr G's claim was before the policy engaged as ARAG contends.
- Mr G's policy started to run in August 2019. Mr G says that he didn't become aware that he was entitled to make a claim for backdated holiday pay based on the premise that he had acquired worker status, until his contract with a third party ended in 2024. But looking at the claim he submitted, it's clear that what he is claiming for is backdated holiday pay extending well before cover started and dating back to 2017. In light of this it's clear to me that the date of occurrence, predates the policy start date. And I don't think it makes a difference whether he didn't seek legal advice on the question of making a claim until after the policy was in place. The fact is he is claiming losses for a period that predates cover starting and the date of occurrence is the date the event leads to a claim, irrespective of Mr G necessarily becoming aware of it satisfies me that the claim is excluded. As such, I don't think ARAG acted unfairly by turning down Mr G's claim. Equally I don't think Mr G's offer to discount any claims predating the start of cover makes much difference here. The fact is that the start of the losses and therefore the breach claimed started well before cover engaged. To seek to discount those losses now would be an artificial exercise intended only to bring the claim within cover. The claim, as framed makes clear when the breach and losses occurred. And these mean that Mr G's claim is

- not one which falls within policy cover.
- I now turn to the poor service Mr G says he received from ARAG. ARAG accepted there were service failings on their part and that there were delays in their dealing with the claim. As such they offered Mr G £100 in recognition of this. Mr G doesn't feel this goes far enough to compensate him. I've thought about this in the wider context of his claim. Given the outcome of ARAG's review was that no cover was available, and my view is that the claim was correctly declined, this was never a claim that would attract cover under the policy. So, the delay in ARAG dealing with things does not mean that Mr G was denied legal cover he would otherwise have been entitled to. As such the impact he's talked about is largely academic as he would always have needed to protect his position by filing his claim within the deadlines applicable to it himself if he wanted to pursue it.
 - Equally I haven't seen anything to suggest that Mr G lost the opportunity to pursue the claim through a conditional fee arrangement ('CFA') as a result of ARAG's actions. This seems to be something that happened after Mr G told his Solicitors he would be making a legal expenses insurance claim. But the outcome of that claim was not guaranteed to result in legal expenses cover, nor did ARAG make him any promises that this would be the case. So, I don't think he lost out on the provision of legal services under a CFA as a result of something ARAG did. Rather it seems his Solicitors withdrew after he told them he was making a claim. And although Mr G's Employment Tribunal claims were time sensitive, I don't think this means that the delay in ARAG dealing with his claim meant that he was put to additional inconvenience. As I've said, making a claim on the policy did not guarantee cover and it was up to him to protect his position by making a claim by the relevant deadlines until the question of cover could be decided.
 - I appreciate however that there were some delays in the claim being determined which would have been frustrating. In the circumstances however I think ARAG's offer of £100 adequately compensates Mr G for this and is in line with awards we'd make in similar circumstances. If Mr G has not accepted this offer and wishes to do so, he can contact ARAG directly. But I won't be awarding anything further to him in respect of this complaint.

My final decision

For the reasons set out above, I don't uphold Mr G's complaint against ARAG Legal Expenses Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 6 January 2026.

Lale Hussein-Venn
Ombudsman