

The complaint

M's complaint is about a claim Mrs F made on M's The National Farmers' Union Mutual Insurance Society Limited ('NFU') legal expenses insurance policy.

Although this complaint is brought by M, it relates to a claim NFU accepted in respect of Mrs F so I shall refer to all submissions as being Mrs F's in this complaint.

Mrs F says NFU treated her unfairly.

In this decision all references to NFU include their claims handlers.

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 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 will be upholding this complaint for broadly the same conclusions reached by the investigator for the reasons set out below.

Before I explain why, I wish to acknowledge Mrs F's strength of feeling about this complaint and the volume of submissions she's made. Whilst I've read and considered everything she's said, I won't be addressing it all. That's not intended to be disrespectful. Rather it's representative of the informal nature of the Financial Ombudsman Service. Instead, I'll focus on the crux of this complaint, namely whether NFU did something wrong and need to do more to put things right.

The starting point is the policy terms. They provide cover for claims where the date of occurrence of the insured incident took place during the period of cover. This is defined as:

"For criminal cases, the date of occurrence is when the INSURED PERSON began, or is alleged to have begun, to break the law."

In this claim NFU provided cover for Mrs F to defend a criminal case against her for offenses dating back to between 2015- 2019. When NFU discovered that those charges had been dropped and those that remained were from May 2017, they concluded that no cover was available during that time as Mrs F wasn't covered under any policies from January 2017 to February 2020. Initially NFU told Mrs F's Solicitors that they would accept cover despite this, but then reviewed matters and determined that they shouldn't have done so because there was no policy in place to fund those costs. Because of their error NFU agreed to pay all of Mrs F's reasonable costs incurred to date.

Having considered the policy terms, I'm satisfied that there was no cover for the claims Mrs

F was seeking help with. It's right that when NFU became aware that this was the case, namely when Mrs F's Solicitors confirmed this to them, that they were entitled to decline cover at that point. But NFU didn't do this. Rather they agreed to continue to fund the claim and four months later realised they shouldn't have done so, following which they withdrew funding. I can see why Mrs F would have found this upsetting and that she feels NFU reneged on what they'd previously said. As the investigator explained, insurance is subject to terms and conditions, so the promise of cover isn't absolute. And the assessment of whether a claim is covered is one which is ongoing throughout the life of it. NFU offered Mrs F £150 for the distress and inconvenience their conduct caused her. But I don't think this goes far enough. In August 2024 Mrs F would have expected that cover would have been ongoing. It's for this that I feel NFU should compensate Mrs F for, but not that they are obliged to cover her costs to conclusion. I say so because Mrs F had the benefit of cover from the time she made her claim until December 2024, when this was not a claim that she was entitled to cover for at all. So, whilst Mrs F feels that NFU's actions caused her loss, I think she would have been worse off had they not provided her with cover for her legal costs over a four-year period as she would have had to fund this herself.

Mrs F feels that NFU should be estopped from changing their position given their agreement to fund her claim and that they shouldn't be entitled to rely on a term that leads to a significant imbalance in parties rights. I don't agree. NFU were not in a position to determine that the claim, which had run for the best part of four years, was not one which was covered until mid 2024. That's because Mrs F's representatives did not provide them with any updates about the claim despite several requests from NFU to do so in that period. So, the earliest time they could have told her that cover wasn't available was in August 2024. The impact in her case of their actions was NFU agreeing to fund the claim then reassessing their position four months later. So, in effect she received four months more of cover than she was entitled to as well as the preceding four years. I know Mrs F won't see it that way but that is the correct interpretation given that no cover was in place for her claim at all. And given the entitlement to insurance cover is not absolute, I cannot agree that NFU are estopped from withdrawing cover, albeit later than they should have in this case when no insurance was in place. The policy term NFU relied on to withdraw cover is very common in policies like M's and isn't one we'd consider to be unfair. It was also highlighted in the policy documents M received. I appreciate that in this case NFU did change their position but I'm not satisfied that they were not entitled to as Mrs F benefitted from over four years of cover when her claim wasn't covered at all.

I turn now to whether it was fair and reasonable for NFU to withdraw funding when they did. It's true that we consider a policyholder's date of knowledge on the issue of whether they could reasonably have known that there was cause for them to bring a claim before a policy was in place. But that tends to apply to civil claims where the date of occurrence is defined differently. In this policy the terms relate to a criminal offence where the terms are clear. The date of occurrence is the date of the alleged offence, so I don't think the date of knowledge of that offence makes a great deal of difference. But even if I accept that it did, I'm not satisfied Mrs F wouldn't have known it was likely she would need the benefit of cover to defend a claim when the insurance was taken out. I say so for a number of reasons. The policy this claim was made on was purchased on 16 February 2020. I've seen a letter from HMRC dated 4 March 2020 to Mrs F which references contact they'd had with her Solicitor relating to the arrangements for interviewing her. That was just over two weeks before the policy inception. That's at odds with what Mrs F said about this letter being the first correspondence she'd received about the matter. Further, NFU have provided evidence of a claim Mr F made on the policy for revocation of his firearm and shot gun licence as a result of his arrest on 14 February 2020 for suspected VAT fraud, which was the same matter Mrs F was accused of in the criminal proceedings that are the subject of this claim. That was just two days before M took out cover. Given their relationship and the fact that the same claim was then brought against Mrs F, combined with the fact that there was clearly some

discussion or contact about this before 4 March 2020, I think it's very likely Mrs F was aware of the matter that gave rise to the claim before the policy was in place. So, I'm not satisfied that this was new information she wasn't previously aware of until much later in the claim. Insurance cover like the policy M took out was in place to protect those insured under it for eventualities that were not known. In this case I'm not satisfied that Mrs F wouldn't have known about the fact that there was a problem she would likely have needed help with under the policy prior to it being in place. For that reason, I can't safely say she had no knowledge of the matter until the charges were amended against her. And that on its own would have meant that she wasn't entitled to cover at all under the policy irrespective of whether she thought she was being interviewed for potential charges relating to the period 2015- 2019 or later.

Mrs F is also unhappy about NFU's initial decision to decline the claim. This was at the very start of the claim being made and when Mrs F told them she did not have insurance as the claim did not relate to her business. NFU said that they didn't have a policy in place to cover the matters being alleged which Mrs F reported as being from 2015 to 2019. In response Mrs F supplied NFU with a policy she felt covered her for this period. When NFU considered this, they noted that the policy covered M and after further discussion with Mrs F were prepared to accept that Mrs F was a voluntary employee of M. This was after Mrs F said she sometimes carried out work for M. As a consequence, NFU accepted cover. I don't think the position NFU took here was unreasonable. Based on what they had NFU weren't able to establish cover until Mrs F provided them with further information and when she did, NFU accepted the position. I know that for Mrs F this forms part of a journey of cover being denied then accepted but this was four years before the matters that form the main part of Mrs F's complaint occurred and I don't think the circumstances were particularly impactful or gave rise to any loss to Mrs F, particularly because it appears to have been resolved fairly swiftly.

Finally, Mrs F has made submissions about NFU's actions undermining the principles of a claims made policy and breaching FCA rules of fairness. But the policy she was claiming on wasn't a claims made policy, it was a claims occurring one. That's because the requirement was for the date of occurrence of the insured incident to have taken place during the period of cover. So, I'm not satisfied that her contention is correct nor that any principles of perceived unfairness apply here.

I have noted the remainder of the points Mrs F has made, including those relating to her ownership of the land and businesses connected with the claim against her as well as when the charges currently being pursued materialised. But for the reasons I've set out above, these make no difference to the outcome of my findings.

Putting things right

NFU should pay Mrs F a total of £250 in compensation to include the £150 already offered to her for the reasons I've set out above.

My final decision

NFU should pay Mrs F a total of £250 in compensation to include the £150 already offered to her for the reasons I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 9 October 2025.

Lale Hussein-Venn
Ombudsman