

The complaint

Mr and Mrs S are unhappy with what Xbridge Limited did when their landlord legal expenses insurance policy was due for renewal. Although the policy is in joint names as the complaint has been brought by Mr S I'll mainly refer to him in this decision.

What happened

Mr S had a landlord insurance and separate landlord legal expenses policy arranged through Xbridge. After receiving renewal information in December 2024 he called Xbridge as he was unhappy with the proposed premium. During that call he said tenants remained in the property but their tenancy had expired and he'd issued a Section 21 notice giving them two months to leave the property which ran out at the end of the month.

Xbridge said if tenants were in the property without a tenancy agreement it wouldn't be able to offer renewal cover at all. Mr S queried whether he'd still have legal cover in place if he needed to take repossession proceedings. He was told as notice had already been served this would be covered by the previous year's policy. And he'd need to get in touch with the legal expenses insurer if he needed to claim.

As the tenants didn't leave Mr S sought assistance from that policy. His insurer turned down the claim as it said the '*date of occurrence*' hadn't taken place within the period for which cover was in place. Xbridge accepted in its call with Mr S it hadn't explained the timeframes in which any claim on his legal expenses policy would need to be made. It thought Mr S would likely have been out of time to make his claim in any event but offered to pay £100 to recognise the fact he hadn't been given accurate information.

Our investigator thought the key failing by Xbridge was in telling Mr S he'd be able to make a claim for repossession on his current legal expenses policy. That wasn't the case and Mr S would need to have renewed the policy for cover to be available. She thought if given correct information he would have ensured continuous legal expenses cover was in place. And he would then have been able to claim on that policy.

She said Xbridge should arrange for his claim to be assessed on the basis that was the case against the terms of the legal expenses policy it arranged. If the claim was covered it should pay costs Mr S had and would incur in line with the policy terms (plus interest on any amounts already paid). And it should pay him the £100 it had already offered to recognise the distress and inconvenience it caused him.

Mr S thought the compensation should be higher (as he'd missed out on rent from his property for a period of nearly ten months). Xbridge didn't agree with our investigator. It said during the call Mr S told it he'd already served notice on his tenants which is why it said any claim would fall under the previous policy. As the claim wasn't made until the 16 January 2025 this would have been excluded by a policy term that said claims reported more than 90 days after the insured incident weren't covered. It didn't accept the date of that was when the Section 21 notice expired and didn't agree it was responsible for the decline of the claim Mr S subsequently made.

So I need to reach a final 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.

Xbridge says it didn't provide advice when arranging this policy. I haven't seen anything to suggest otherwise. So I think it most likely this was an information only sale. That means Xbridge didn't have to check whether the policy was suitable for Mr S but it did have to provide him with clear, fair and not misleading information so he could decide for himself whether it was right for him.

Xbridge's position is it correctly informed Mr S a repossession claim could be made on his existing legal expenses policy. But it didn't tell him that claim would need to be made within 90 days of the date he knew about the insured incident. It doesn't believe he's been disadvantaged by that because at the point it spoke to him the claim was likely out of time because more than 90 days had already passed since the issues began.

It's not clear what evidence Xbridge is relying on to say the claim was out of time at the point Mr S contacted it. But in any event I think more importantly Mr S's legal expenses insurer didn't turn down the claim because of any issues over the reporting timeframes. It turned down the claim because the "*the Section 21 notice expired for the tenant on 29 December 2025 meaning this is the date of occurrence which led to you submitting your claim*". And the policy only covers claims where the '*date of occurrence*' is within the period of insurance. So it's the fact the policy wasn't renewed which led to the subsequent decline of Mr S's claim; his insurer hasn't raised any concerns over late reporting.

I've gone on to consider whether the reason Mr S didn't have cover in place was because of something Xbridge got wrong. During his call with it he specifically asked whether he could seek assistance from the legal expenses policy in the event he needed to take repossession proceedings. He was told this would fall within the cover offered by his existing policy. But that wasn't the view of his insurer when the claim was made.

I appreciate Xbridge wouldn't have known how the legal expenses insurer would apply its policy terms. But in that case it shouldn't have explicitly told Mr S this claim would fall within the previous year's policy. It should instead have made clear it would depend on when the date of occurrence of that claim was. And the only way to ensure that fell within the policy period was to make sure continuous cover was in place.

Mr S was clearly interested in retaining legal expenses insurance (he specifically asked about this). I think if properly informed by Xbridge he'd have sought to ensure that cover was in place. However, Xbridge said it couldn't offer renewal cover because there was no longer a tenancy agreement in place covering the tenants in his property (Mr S told Xbridge the tenancy agreement had expired). And the terms of Mr S's legal expenses policy do require that a tenancy is in place (it forms part of the definition of '*your property*').

However, I think it's clear from what Mr S has told us (which Xbridge would reasonably have known if it had asked further questions) that this was a 12 month fixed term tenancy. Where that ends it would normally convert to a rolling periodic tenancy. And that's only brought to an end by the departure of the tenants or the conclusion of possession proceeding. So at the point Mr S spoke to Xbridge there was a continuing tenancy at his property.

I've not seen anything else to suggest his circumstances in December 2024 would have prevented his legal expenses policy from being renewed. And for the reasons I've already explained I think it most likely that, if given correct information during his call with Xbridge,

Mr S would have gone ahead with that renewal. He was clearly concerned about cost but the premium for this policy was relatively modest. And he would therefore have had cover in place for the claim he subsequently made.

Putting things right

Xbridge will need to ensure Mr S's legal expenses claim is assessed on the basis he did renew this policy and so had cover in place at the '*date of occurrence*'. It can do this by asking the claims handlers for that policy to consider the claim on that basis. If cover is available Xbridge will need to cover costs and expenses those handlers say should be paid.

If Mr S has already paid those amounts it will need to reimburse those costs to him plus interest at 8% simple from the date of payment to the date of settlement. If Xbridge considers it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr S how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Xbridge will be entitled to deduct the premium that would have been charged for the legal expenses policy from any amounts it does pay.

I appreciate what Xbridge got wrong here will also have caused Mr S some avoidable distress and inconvenience. He thinks that amount should be higher to reflect the lost rent from his property. However, I don't agree with him on that. Even if Xbridge had acted as it should it's not clear a repossession would have proceeded any more quickly or that the property would have been let to other tenants sooner. So I don't think any loss of rent is something for which Xbridge is responsible. On balance I think the £100 it's already offered does enough to recognise the impact on Mr S of what it got wrong. So Xbridge will need to pay that amount to him if it hasn't already done so.

My final decision

I've decided to uphold this complaint. Xbridge Limited will need to put things right by doing what I've said in this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 17 February 2026.

James Park
Ombudsman