

The complaint

Mr and Mrs G are unhappy with what Intact Insurance UK Limited did after Mrs G made a claim on their legal expenses insurance policy. Although the policy is in joint names the claim is from Mrs G and it's her complaint. So I'll mainly refer to her in this decision.

What happened

At the start of April 2025 Mrs G claimed on her legal expenses policy with Intact. She said there had been repeated breaches of contract by the letting agent of a property she rented out. And she wanted the policy to assist with a claim against them. Intact said Mrs G had referenced issues with the agent dating back ten years. A different insurer was responsible for her policy when those issues arose. So that insurer would need to consider the claim. I understand that insurer turned down the claim as it thought a policy exclusion applied.

In early May Mrs G contacted Intact again and said she only became aware of the issues which had given rise to her claim in February 2025. She thought it should be covered by her policy with it. Mrs G reiterated that point in subsequent correspondence. In July Intact said even if Mrs G had only become aware of the problem in 2025 it was the date of the first event which was important here. It thought that occurred during the cover period of the other insurer. So it didn't think this was a claim it was responsible for.

Our investigator thought it was reasonable, based on the information Mrs G initially provided, for Intact to conclude the previous insurer would be responsible for her claim. However, when she subsequently contacted it further questions should have been asked as part of the investigation Intact then carried out. If Intact had done so it would have identified this claim related to a failure by the letting agent to identify mould at the property and that took place during its period of cover. She said Intact should accept the claim and obtain an assessment of whether it had reasonable prospects of success (and cover costs in line with the policy terms if that was the case). It should also pay Mrs G £500 in recognition of the distress and inconvenience she'd been caused by what it got wrong.

Intact didn't agree. It said:

- In her initial claim Mrs G had referenced ten years of service failure by the letting agent. It didn't think it would have been reasonable for it to conduct further checks as it was clear the dispute predated its period of cover and under the terms of the policy it was for Mrs G to provide details of her claim. She'd accepted at that time the claim was for the other insurer. The information it then received from them didn't indicate any issue over when the incident giving rise to the claim had taken place so that shouldn't have prompted further inquiries either.
- Even if it had asked further questions that would still have led it to conclude the matter fell under the other insurer's policy. Doing so would have created a false expectation cover might be provided and caused unnecessary inconvenience to Mrs G which would have been contrary to the spirit of the FCA's Consumer Duty rules.

Mrs G didn't agree either. She didn't feel £500 fully reflected the level of distress she was caused by what Intact got wrong. It hadn't recognised this was a current rather than a

historical claim and hadn't properly reviewed matters following the decline of her claim by the other insurer. The lack of support had impacted her underlying health conditions and meant she had to progress the claim without legal representation. She thought this had a substantial impact on her daily life over a sustained period which justified a higher award.

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.

The relevant rules and industry guidelines say Intact has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably.

I've looked first at the terms and conditions of Mrs G's policy with Intact. That does cover contract disputes and Intact appears to have accepted the problems arising from Mrs G's contract with her letting agent are something the policy could, in principle, cover. But the policy only provides cover where the *"date of occurrence of the insured incident is during the insurance period and happens within the countries covered"*.

The relevant part of the definition of date of occurrence is *"the date of the very first event that leads to a claim. This is the date when the event happened, not the date you first noticed it or told us about it"*. Insured Period is defined as *"the period in which you have insurance cover with us"*. And *"us"* means the claims handlers who act on behalf of Intact.

I think it was reasonable of Intact to conclude, based on the information Mrs G initially provided in April 2025, that the issues leading to her claim hadn't begun during its period of cover. I understand that didn't start until August 2021. As Intact has highlighted Mrs G said on her claim form *"I am claiming for repeated breaches of contract by [letting agent] (2015-current)"*. She went on to explain *"over the past 10 years, I have repeatedly attempted to resolve systemic issues with [letting agent] management, but problems have escalated to unacceptable levels"*.

Given that I don't think Intact was at fault in asking her previous insurer to consider the claim. I recognise Mrs G is unhappy with the action they then took but that's something which can be considered as part of the separate complaint she's made against that business. Nor do I think it was unreasonable of Intact to advise Mrs G that further points she then raised with it about the progress of her claim were for the other insurer to consider.

However, where I do have concerns is about what Intact did once the other insurer had declined the claim and Mrs G got back in touch with it. I appreciate that insurer appears to have declined the claim on the basis of a policy exclusion which wouldn't in itself have caused Intact to question the date of occurrence. But Mrs G was clear in the correspondence she then sent there was an issue here. She told it on 9 May 2025 *"the date of knowledge (February 2025) clearly falls within your period of cover"*.

In a further email on 15 May she said *"to be absolutely clear: the correct date of knowledge is February 2025, when I first became aware of the issue - not when I originally purchased the service in 2015"*. At the start of June she said *"This claim clearly relates to a breach of contract for services I paid to receive, not to historic tenant issues. I have already explained that I only became aware of the mismanagement in 2025, and that is the legal trigger point for this claim"*. It's also clear Intact was aware of those concerns because it said in response *"I am unable to confirm cover for your claim, as presently the position remains that your*

claim falls within the period of cover of your previous legal expenses insurance provider. I am investigating this position and I shall issue my findings in due course”.

What Intact doesn't appear to have done at any point during that investigation was to seek further information from Mrs G about this issue and why she believed her claim did fall within its period of cover. Intact has drawn attention to a policy term which requires the policyholder to *“report to us full and factual details of any claim as soon as possible and give us any information we need”*. But Mrs G did tell Intact she believed her claim fell within its cover period (in correspondence from 9 May onwards) and Intact didn't ask for any further details from her about that. So I can't see how's she in breach of that term.

And I think it would have been reasonable of Intact to ask her for further information in order to investigate this issue as it told her it was doing. I fail to see how doing that wouldn't have been in the spirit of the FCA's Consumer Duty rules given they require firms to support their customers to use the products and services they've bought.

I also don't think Intact are right to say that even if it had done so that wouldn't have changed the position on date of occurrence. I appreciate the policy says date of occurrence is the *“date when the event happened, not the date you first noticed it”*. However, as Intact will be aware it's our approach to this issue that in deciding what's fair and reasonable in all of the circumstances we'd take into account what a consumer knew (or should have known) at the point cover began. And we'd also consider whether they could reasonably have thought any pre-existing dispute had concluded meaning the current issue represented a new problem.

In this case Mrs G explained to Intact that she only found about the issue giving rise to her complaint in February 2025. And she explained to us that her letting agent provided a fully managed service meaning she didn't have direct involvement with the properties. But the agent was supposed to provide quarterly reports. A report she was sent in early 2025 identified a severe mould and damp problem at the property. That led her to visit and she found significant work was required. It was the agent's failure to have addressed that issue and its subsequent actions which gave rise to this claim; she said any past issues with the agent had been resolved.

Taking into account the policy terms and our general approach if Intact had properly investigated this issue from May 2025 onwards I don't think it should have fairly declined cover on the basis the date of occurrence was outside of its insurance period (which is what it's relied on). I think it should have considered it against the remaining policy terms and if cover was available asked a legal firm to assess whether the claim had reasonable prospects of success. So that's what it should now do.

I've gone on to consider what an appropriate amount of compensation is for the distress and inconvenience Mrs G was caused by what Intact got wrong. I accept this has been an extremely difficult period for her. I was sorry to learn about the impact on her health. And I appreciate she's had to carry out her own research and engage in correspondence with other parties because she didn't have legal representation of her own. But I'm also mindful of the fact there wasn't an initial failing by Intact in declining the claim. So the period from then until Mrs G got back in touch with it at the start of May doesn't represent a delay on its part

And while Intact should have then properly investigated the matter that process would in itself have taken time (particularly if a prospects assessment had to be obtained). So I think at least some of the work Mrs G had to do in that period would have been required in any event. I do accept she has nevertheless been caused avoidable distress and put to some unnecessary time and trouble as a result of what Intact got wrong. But I think the £500 our investigator has already recommended does enough to put things right here.

Putting things right

Intact will need to consider Mrs G's claim against the remaining policy terms and if cover is available obtain a legal opinion on whether the claim has reasonable prospects of success. If it does it will need to cover legal costs associated with the claim in line with the terms and conditions of the policy; Mrs G has confirmed she hasn't incurred any legal costs to date so there isn't anything Intact needs to reimburse her for here. But it will need to pay her £500 in recognition of the avoidable distress and inconvenience she was caused by what it got wrong.

My final decision

I've decided to uphold this complaint. Intact Insurance UK 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 G and Mrs G to accept or reject my decision before 18 March 2026.

James Park
Ombudsman