

## **The complaint**

Mr T is unhappy that his legal expenses insurance claim has been declined by Liverpool Victoria Insurance Company Ltd (LV) and by how it handled his claim.

## **What happened**

Mr T purchased home insurance on 13 December 2022. He has told this service that at the time of the purchase he was unaware that he had also bought legal expenses cover.

Unfortunately, Mr T was unwell from June 2022 to June 2023. This sickness affected his work, and his employer didn't pay him commission which he says was owed and made deductions from his wages.

In May 2023 he approached a solicitor for advice and the solicitor asked him to check if he had legal expenses cover. Mr T checked with LV and it confirmed that he did have cover.

In August 2023 he was dismissed by his employer. Mr T believes the dismissal was unfair. He also has other claims against his former employer.

Mr T is unhappy that:

- He was told "a solicitor firm has to evaluate his case, with more than 50% chance of winning" as he says this is not in the policy;
- LV didn't respond to his emails;
- the appointed solicitor was slow causing unreasonable delay which has caused financial strain and inconvenience; and
- his claim was declined as he had raised a grievance with his employer in March 2022.

The investigator didn't recommend the complaint be upheld.

Mr T disagrees. In summary he says:

- the investigator has been selective about his interpretation of certain dates and facts, and he got certain dates wrong;
- there is no evidence to suggest that his insurer informed him prior to his claim, that he would not be entitled to insurance coverage for the specific circumstances outlined in his complaint;
- there appears to be undue bias towards the insurance company; and
- he was misled by LV.

## 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.

Mr T has provided lengthy submissions which I have summarised above I intend no discourtesy by doing so but am just reflecting the informal nature of our processes. He has also asked to speak to me regarding his complaint. I am satisfied that isn't necessary to make a decision about this complaint.

Both sides agree that Mr T had legal expenses cover for employment disputes and I agree with them. They disagree however about whether Mr T's dispute with his former employer was covered.

Mr T says he did not know he had that cover when he took out the policy and that he was misled. I accept given that he did not know he had legal expenses insurance he is unlikely to have read his policy prior to taking out the insurance. But I do not think I can hold that against LV. I think his policy schedule makes it clear that he has legal expenses insurance and that it is clear that this cover is subject to the terms of the policy.

The insurance policy provides that an insured event is:

*The start of an individual or series of events that may lead to a claim under this section.*

*We'll treat all events related by cause or time as one.*

*The insured event will be treated as occurring on the date that you first became aware of the start of an individual or series of events, problems or disputes covered under this insurance.*

It also provides that legal expenses will not be paid: if *the insured event had started before you bought this legal expenses insurance.*

So, in order to see whether Mr T is covered under the policy for his employment dispute with his employer I need to see if the employment dispute which Mr T is claiming for had started before the insurance was taken out.

The ET1 I have been shown states that:

*...On 28 March 2022, the Claimant raised a grievance against the Respondent due to various issues.*

*... On 20 June 2022, the Claimant was signed off due to stress imposed by the Respondent.*

*... The Claimant did not return to work until 16 June 2023 and was informed by the Respondent that he was to be suspended pending investigation from 16 June 2023 due to an allegation of gross misconduct, but with no specifics of what the gross misconducted.*

*... The Claimant's claim for unlawful deduction of wages is now for the accumulative period from 1 January 2022 to 31 December 2022. This was due to be paid on or 31 January 2023.*

*... The Claimant in his previous claim only sought unlawful deductions from the period from 1 January 2022 to 30 June 2022, however, the claim is now for the accumulative periods of 1 January 2022 to 30 June 2022 and 1 July 2022 to 31 December 2022.*

It is clear to me from the above that Mr T was already in dispute with his employer when he took out his policy with LV (December 2022.) It is possible that the dispute prior to taking out the insurance is not 'related by cause or time' to some or all of the events that Mr T was in dispute with his employer with when he approach LV for assistance. But I think that it was not unreasonable of LV to believe that an insured event had occurred prior to the insurance being taken out. LV and its agents set this out clearly to Mr T and Mr T had the opportunity to provide evidence to show that the events were not 'related by cause or time'. He did not do so. I have to make my decision based on the evidence I have. On that basis I think it is most likely that Mr T's claim was for an insured event that happened before the start of his

insurance with LV and that it was therefore not wrong to decline to provide cover for the employment dispute.

As well as the fact that the claim was declined Mr T is unhappy with the way the insurer handled the claim. The insurer took a standard approach – and one permitted by the policy – when it sought to have an assessment of the prospects of success by a lawyer. I do not think it was wrong here. I think the policy was clear that this would happen even if the specific firms used weren't named.

Mr T is unhappy with the length of time it took for him to get replies. Having looked at the evidence I am happy that in general he received replies within a reasonable timeframe.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 29 July 2024.

Nicola Wood  
**Ombudsman**