

The complaint

Mr and Mrs S' complaint is about a claim Mr S made on their Acromas Insurance Company Limited ('Acromas') legal expenses insurance policy.

Mr S says Acromas treated him unfairly by declining his claim.

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

What happened

Mr S made a claim on his and Mrs S' Acromas legal expenses insurance policy for cover to bring a claim in personal injury in relation to an appointment he held with a public authority.

Acromas considered his claim and concluded it wasn't covered under the terms of the policy. In particular they said claims for illness or injury were excluded unless they were caused by a sudden or specific accident as well as claims for stress. Acromas also said that the claims Mr S wanted to bring didn't appear to fall into the employment section of cover either because he needed to be an employee with a contract of employment for this to happen. In addition, Acromas said that any claims involving a policyholder acting in a self-employed capacity, or any disciplinary procedures brought by a policyholder's employer, or any internal grievance procedures brought by a policyholder, were also not covered.

Unhappy, Mr S referred his complaint to the Financial Ombudsman Service. Our investigator said that Acromas had acted fairly in the way in which they'd applied their policy terms and so they were entitled to decline Mr S' claim. Mr S doesn't agree so the matter has been passed to me to determine.

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 won't be upholding Mr and Mrs S's complaint. I'll explain why.

The starting point is the policy terms. They say:

"1. Death, personal injury and clinical negligence

We cover the following:

We will cover legal costs for you. or in the event of your death for your personal legal representatives, for pursuing a legal claim that arises from an event, which causes death or bodily injury to you.

We do not cover the following:

Any claim relating to:

- *illness or injury not caused by a sudden or specific accident or that happens gradually:*
- *illness or injury caused by industrial disease: or*

- *defence of your legal rights, other than defence of a counter-claim.”*

“4. Employment

We cover the following:

Legal Costs for pursuing or defending a Legal Claim arising from a dispute with Your employer as an employee under Your contract of employment.

We do not cover the following:

Any claim relating to:

- *personal injury claims involving stress:*
- *the Equal Pay Act 1970 (or amending laws):*
- *travelling expenses, allowances or compensation payments for being off work:*
- *you acting in a self-employed capacity: or*
- *any disciplinary procedures brought against you by your employer, or any internal grievances brought by you.”*

Mr S submitted a lengthy claim form to Acromas setting out the basis upon which he wanted to bring a claim against the public authority he'd contracted to act as a Board Member for. He'd listed several instances he considered amounted to personal injuries against him for which he wanted to claim.

Having reviewed everything he's said, I'm satisfied his claim doesn't fall within cover under any of the sections of the policy that could potentially have engaged. Under the personal injury section of the policy his claims are excluded because the injuries Mr S has complained of aren't caused by sudden or specific accidents. Rather they are essentially claims for stress caused by the actions of the public body. I appreciate that Mr S is also claiming for other things such as financial loss, damage to his reputation and a breach of duty of care, but the events he's unhappy with don't appear to flow from sudden or specific accidents. And even if I'm wrong about the types of claims Mr S wanted to make being personal injury claims involving stress, I'm not sure Mr S could provide a contract of employment to support that he's an employee of the public body under a contract of employment. Rather his position suggests he was self employed, which is also a situation excluded by the terms of the policy.

I appreciate Mr S' submissions about the extent of cover not being made clear to him in the documents he was sent. But I'm not considering a complaint in relation to the way in which the policy was presented to him. That's a matter for the seller of the policy and one he's entitled to raise separately with whoever sold him the cover. What I'm deciding in here is whether Acromas were entitled to decline the claim Mr S made under the policy terms. For the reasons I've set out above, I think they were.

If Mr S has any further information or evidence which he thinks means his claims should be covered- like a contract of employment for example or evidence that his claims aren't for stress related injuries- then he can submit that to Acromas. I would expect Acromas to reconsider the claims again at that juncture and let Mr S know whether this makes any difference to their original decision to decline them.

My final decision

For the reasons set out above, I don't uphold Mr S' complaint against Acromas Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 3 April 2024.

Lale Hussein-Venn
Ombudsman