

## **The complaint**

Mr W and Mrs H's complaint is about a claim Mr W made on their The National Farmers' Union Mutual Insurance Society Limited ('NFU') legal expenses insurance policy.

Mr W says NFU have treated him unfairly.

All references to NFU in this decision include their claims handlers.

## **What happened**

Mr W made a claim on his and Mrs H's NFU legal expenses insurance policy for help with an employment dispute he was involved in. When he claimed he made clear there a time limit of 90 days to submit an unfair dismissal claim, failing which he would be time barred.

On 30 September 2022 NFU acknowledged the claim and asked for further details. Mr W provided these promptly in response. It wasn't until 10 January 2023 that NFU confirmed to Mr W that his claim was one which was covered in principle and would be allocated to a panel firm to consider. The panel firm contacted Mr W two days later. When Mr W spoke to the panel firm, he explained that he had settled his dispute and that the date to pursue a claim for unfair dismissal had passed on 20 December 2022. As such he was now time barred from pursuing it. Mr W also told NFU that he'd called in December 2022 to chase the progress of his claim but hadn't heard anything in response until January 2023.

NFU accepted they'd made a mistake and not dealt with Mr W's claim in a timely manner. But they also couldn't say their mistake had caused Mr W to miss out on settling on better terms or pursuing a claim at all, so they offered him £300 in compensation for the stress and inconvenience caused to him. Mr W thought this wasn't enough. He thought NFU should pay him £1,000.

Our investigator considered the matter and initially determined that NFU should appoint a Solicitor to determine the settlement that Mr W could've reasonably achieved at the time his claim was made and if this was more than Mr W accepted then NFU should pay the difference. NFU didn't agree. They made some detailed submissions in response which the investigator put to Mr W. Mr W also provided further information about his claim at that point and the details of the settlement he reached with his employer.

Based on that information, the investigator revised her view and concluded that although NFU were at fault, Mr W could have chased them more proactively to stress the urgency of the matter. Because he didn't do so, she said that NFU couldn't be held responsible for the outcome of his claim. She did however say the amount NFU offered was too low and that they should pay Mr W £500 in compensation for the delay in dealing with his claim and loss of expectation. Neither party agrees with this outcome, 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 agree that Mr W's complaint should be upheld. I'll explain why.

In this case NFU accept they did something wrong, so the issue for me to determine is whether what they've offered to put things right- namely £300 in compensation- is enough to properly compensate Mr W for their failure to deal with his claim in a timely manner and at least by the expiry of the limitation applicable to unfair dismissal claims.

The parties have made some detailed submissions in this case. NFU has said that at the point the claim was reported, Mr W had already completed the ACAS early conciliation process. He'd also put together draft Particulars of Claim. In addition, he was aware of the deadlines applicable to his claim and that he would need to submit it by the limitation date. He didn't however do so. NFU say they were never made aware by Mr W that he was considering settling the dispute with his employer or that the terms being discussed between them were not acceptable to him. They also say that they've had no information on what Mr W's claim might have been worth or any advice to determine the merits of it. Because of this they take the view that they're not responsible for Mr W settling the claim in the way that he did and that the compensation they've offered is adequate recognition of their failure to deal with the claim promptly in this case.

On the other hand, Mr W says the dispute he had with his employer wasn't negotiated at all. He says he received a phone call from his employer's representatives saying what he'd be paid and that was it. He's also talked about the considerable stress this situation put on him and his family as well as the worry about how to support himself and them financially as a result of losing his job. He feels that he'd done what he needed to do by making his claim and chasing NFU in December 2022 and that they should have done more to support him.

I've thought carefully about what both parties have said. And I agree that this would have been a very worrying and difficult time for Mr W. I also appreciate that he told NFU from the outset about the limitation applicable to an unfair dismissal claim. But given he drafted Particulars of Claim, I'm not sure why he didn't file them by the limitation date when NFU failed to respond to him. I understand that he might have wanted to see an end to the dispute and move on but given the urgency of the approaching limitation, I think it would have been reasonable to chase NFU well before it expired and draw to their attention to the fact that he needed legal advice or assistance for the situation he found himself in. So, whilst I find that NFU were responsible for delays and failing to provide Mr W with legal assistance before the expiry of the limitation, I don't think I can hold them responsible for Mr W missing the opportunity to make an unfair dismissal claim or achieving a better settlement because this doesn't appear to be something he was looking to pursue in any event. If he had wanted to, I would have expected to see him filing the Particulars of Claim at Tribunal and chasing NFU for urgent assistance in respect of his claim.

Aside from that, neither NFU nor I have any clarity around whether Mr W's claim had reasonable prospects of success under the policy, which meant his claim was capable of cover at all, and if so whether it was likely he could've achieved a better settlement. At this point, I don't think it makes much difference because I'm not persuaded Mr W would necessarily have done anything differently had NFU had his claim assessed sooner. His actions in relation to his claim seem to support that.

I do however agree that the compensation offered by NFU is too low. As I've said above, this was a stressful time for Mr W and his family. So NFU should have dealt with his claim in a timely manner. The fact that he had to chase them after three months of inactivity isn't acceptable. Nor is the fact that he expected to receive help but wasn't offered any within an adequate time frame. So, I agree with the investigator that NFU should pay Mr W £500 in

respect of this to reflect the delay and loss of expectation.

### **Putting things right**

NFU should pay Mr W and Mrs H £500 for the delays and loss of expectation they caused.

### **My final decision**

For the reasons set out above, I uphold Mr W and Mrs H's complaint and direct The National Farmers' Union Mutual Insurance Society Limited to put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs H to accept or reject my decision before 21 November 2023.

Lale Hussein-Venn  
**Ombudsman**