

The complaint

Company T has complained about Amtrust Europe Limited. It isn't happy that Amtrust wouldn't deal with a claim under its legal expenses insurance policy.

For ease of reading any reference to Amtrust includes their agents.

What happened

T made a claim under its legal expenses insurance policy following a dispute with a customer which led to difficulties with a supplier it worked with - the supplier removed its accreditation to use one of their products.

Amtrust looked into the difficulties T faced but explained that there wasn't any cover for this under the legal expenses insurance policy. As T wasn't happy about this it complained to Amtrust and then this Service.

Our investigator looked into things for T but didn't uphold its complaint. As T wasn't claiming for an insured event under the policy she didn't think Amtrust had done anything wrong. She thought Amtrust took the time to consider the particular circumstances T faced and clearly explained that there wasn't any cover under the policy.

As T didn't agree the matter has been passed to me for review.

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.

I can understand why T wants to make a claim under its legal expenses policy in this instance and I know this has been a difficult time for T. But the question I need to consider is whether Amtrust did anything wrong in turning down the claim T made.

Company T believes the legal expenses policy should cover the dispute it had with its customer and subsequently its supplier when this arose. And I've seen the correspondence T has provided surrounding this and I can understand its position. But, as T has been made aware, insurance products do not cover every eventuality and unfortunately the scenario T faced, stemming from a dispute with its customer, isn't covered under the policy. And I'm satisfied that Amtrust have considered T's claim in a fair and reasonable way but there wasn't any aspect of the policy that covered the claim T was making.

Amtrust looked to see if T's claim could be considered under the policy and focussed on the aspects of the policy that might provide cover. Firstly, it looked at whether T's dispute with its customer or supplier could be considered under the '*Contract & debt recovery*' section of the policy. But as T's dispute with its customer had been resolved and there was no longer a breach or alleged breach of an agreement then this section didn't apply. I know T didn't want its supplier/accreditor to take the steps it took with the customer to put things right as T

disputed whether it had done anything wrong or not, but the steps taken meant that there was no longer a dispute with the customer.

I note Amtrust looked at T's contract with its supplier/accreditor in consideration of its claim as well. But Amtrust highlighted the contract cover excludes claims that stem from '*any criticism of your service by customers...may result in your status being removed*'. And as T's accreditation was removed due to a complaint from its customer and T's refusal to pay a small amount of costs invoiced to T by the supplier/accreditor Amtrust said that this was a clear breach of the contract terms.

Amtrust went on to consider whether any alleged slanderous comments that T felt it faced and the subsequent removal of T's accreditation with its supplier could be considered under the '*Crisis communication*' aspect of the policy. However, Amtrust felt that an exclusion applied as '*a matter has not actually resulted in adverse publicity appearing online, in print or broadcast*' so it didn't feel T's claim was covered under this part of the policy either. In effect Amtrust didn't believe it could consider the claim under the crisis communication part of the policy as there hadn't been any adverse publicity although Amtrust appreciated that there had been threats of this. And Amtrust looked at all other aspects of cover under the policy but concluded this claim didn't come under any other categories and so wasn't covered under the legal expenses policy. But suggested T should check any other insurance policies it has in case it had cover elsewhere.

Ultimately T's policy only provides legal expenses insurance cover in relation to certain events. And in this instance Amtrust have explained that the policy terms and conditions don't cover what T has claimed for and as this isn't an insured event Amtrust turned down the claim.

I know this is disappointing and that, at the time, T believed this claim would be covered but that isn't how the policy works and I can't ask Amtrust to step outside the policy terms and conditions. I say this as I'm satisfied this isn't an insured event under the policy and the policy documentation is clear. I know it doesn't specify the exact circumstances that T faced, but I wouldn't expect an insurer to outline every possible eventuality when cover isn't provided.

The policy clearly outlines what is covered and I know T feels that there has been criminality and fraud in what the parties involved here have alleged against T. But they are criminal matters and would have to be advanced by the police or T could take legal advice on this. Unfortunately, I have to consider what actually happened and the circumstances surrounding the claim and they don't fit with a claim under the policy. Given all of this, and despite my natural sympathy for T, I don't think Amtrust have acted unreasonably in turning down the claim.

My final decision

It follows, for the reasons given above, that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 26 January 2024.

Colin Keegan
Ombudsman