

## **The complaint**

Mr G and Miss P complain that DAS Legal Expenses Insurance Company Limited (“DAS”) has poorly handled a claim made under their legal expenses insurance (“LEI”) policy.

Any reference to Mr G, Miss P, or DAS includes respective agents or representatives.

## **What happened**

The background of this complaint is well known between parties, so I’ve summarised events.

- In December 2022, Mr G and Miss P contacted DAS seeking to make a claim under their LEI policy related to the repossession of a property. In doing so, they provided supporting evidence related to the claim. DAS has acknowledged it received this.
- In May 2023, Mr G and Miss P requested an update on the claim. At this time, it became apparent the possession notice Mr G and Miss P had obtained previously had since expired in February 2023 – and the claim had not been progressed by DAS.
- DAS said it made a mistake at this time and had closed the claim incorrectly in January 2023. Mr G and Miss P say this caused them to lose rental income.
- In May 2023, DAS requested information including questions about whether the tenant was still in the property and details of any current rent arrears. DAS said it hasn’t received an answer to these questions.
- The complaint came to this Service around this time and one of our Investigators looked into what happened. She said DAS would need to:
  - Pay £350 compensation for the distress and inconvenience caused to Mr G and Miss P due to delays and failures of communication on DAS’ part.
  - Pay the costs of obtaining another possession order should this be required.
  - Take the claim forward in line with the remaining policy terms – which required Mr G and Miss P to provide further information that had been requested in May 2023.
  - DAS would need to pay for the loss of rental income for the period between when the claim was closed in error in January 2023 and May 2023 when further information was requested. For any losses after this time – these would be considered against the remaining policy terms.
- DAS agreed to the view. Mr G and Miss P initially accepted it but then said they felt the compensation awarded wasn’t sufficient. This was due to the amount of time spent and letters and phone calls made to take the matter forward. And they said the rent should be paid until the tenant left the property.
- DAS has since been in touch to ask for an extension to provide further thoughts on the claim itself. But our Investigator has explained this complaint is focused on the events brought to us previously, not live issues related to a claim going forward.

So, the complaint has been passed to me for an Ombudsman's 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.

Having done so, I'm upholding this complaint. I'll explain why.

- DAS has acknowledged that it incorrectly closed Mr G and Miss P's claim in January 2023. So, it's clear to me DAS was responsible for this claim not progressing in a timely manner as it should have done.
- I have to consider whether the remedy DAS has agreed to carry out, alongside the compensation awarded is fair and reasonable in these circumstances.
- Mr G and Miss P have said DAS' handling of the claim caused them to lose rental income across this time. And DAS has agreed to cover these costs until May 2023 – when DAS recognised its mistake and asked specific questions of Mr G and Miss P to take the matter forward. I think this is a reasonable period for DAS to pay (outside of the policy terms) given the claim could continue from that point onwards.
- DAS will be aware of our approach to situations where a policyholder is out of pocket, so in line with this I will direct it to pay 8% simple interest from the date each payment would've been made, until the date it makes payment, to account for the period Mr G and Miss P have been without these funds.
- For the period that followed, DAS has agreed to consider this in line with its remaining policy terms. As DAS was seeking to take the claim forward at this time, I think this is reasonable on its part.
- Mr G and Miss P described incurring costs in relation to an initial possession order. I've looked at the policy terms and can't see this was a cost DAS would've covered as it wasn't a legal cost in line with the relevant definitions. So, it seems this would've always been a cost Mr G and Miss P would have incurred themselves. DAS has agreed to cover the costs of obtaining another one should this be necessary in taking the claim forward. And I think this puts right the situation DAS has created by the first expiring.
- Mr G and Miss P have explained the extent of the frustration caused by DAS' actions and the time they've spent pursuing the claim. I don't doubt this has been a frustrating experience for them and discovering the claim had not progressed would've been very disappointing. Having thought about the matter carefully, I'm satisfied a sum of £350 compensates them for the distress and inconvenience they've suffered as a result of DAS' actions. So, while I acknowledge their strength of feeling, this isn't something I'm going to increase.

### **My final decision**

For the above reasons, I am upholding this complaint. DAS Legal Expenses Insurance Company Limited must:

- Pay any rental income losses between the date the claim was cancelled in January 2023 and taken forward again in 19 of May 2023.
- 8% simple interest should be added to each rental payment it is covering, from the date each payment would've been made, until the date of payment, to account for the period Mr G and Miss P have been without these funds.

- Cover the cost of obtaining a possession order or notice should one be required going forward to evict the tenant in question.
- Pay £350 compensation for the distress and inconvenience it has caused Mr G and Miss P in handling this claim.

DAS must pay the compensation within 28 days of the date on which we tell it Mr G and Miss P accept my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Miss P to accept or reject my decision before 22 November 2023.

Jack Baldry  
**Ombudsman**