

Real Life Business Legal Expenses Claims

Contract Disputes

The insured supplied their customer with services as agreed and sent them an invoice for the agreed cost £25,000. Their client did not pay on the due date. The insured tried to contact the client to see what was happening. After two weeks of no response from the client the Insured contacted the Debt Collection Service. The Debt Collection Service contacted the customer who then claimed the services provided by the insured were not as requested and therefore was not paying. The insured sued the customer. The matter was defended by the client but the court found in favour of the insured. The insured was covered for his £17,000 of legal costs.

Repair and Renovation

The insured had their shop refitted by a contractor. The refit was done very badly so the insured had to have some work redone and have the shop closed for longer than planned. The insured sued the contractor for damages seeking £12,000. The insured eventually settled with the contractor accepting £9,000 in an out of court settlement. The Insured was covered for their legal costs of £6,000.



Construction Contract Disputes

Adjudication

The insured is a dry-lining subcontractor. They had a contract to wall and ceiling the top two storeys of a refurbished office block. Subsequently they were asked to also dry line the ground floor. When they submitted their invoice for the original work and the variations the main contractor refused to pay £50,000 of the additional work. The insured took the adjudication proceedings but lost. The £3,000 of legal costs the insured incurred in preparing the adjudication were covered by his legal expenses policy.

Litigation

The insured is a ground works subcontractor and was contracted to build the foundations for a retail park. Because of difficulties with planning the work was delayed a number of times which also led to a change in specification. The main contractor paid each interim invoice but when the final invoice was submitted the main contractor refused to pay, effectively refusing to meet the variation and prolongation costs. The insured sued the main contractor in the High Court for £75,000. The Court found in favour of the insured. The legal costs incurred by the insured were £50,000 and were covered by the insurance.



Criminal Prosecution

The insured planned to have the car park at their offices enlarged requiring the felling of a number of large trees. They engaged a tree surgeon who advised they would deal with all permissions etc. The insured was charged with felling a protected tree without the appropriate authority from the Council or Forestry Commission; offences that can lead to an unlimited fine. On the advice of their lawyer the insured pleaded guilty and in mitigation explained that they had used and relied on the services of a professional tree surgeon. The Court accepted their plea and limited their fine to £1,000. The insured incurred £6,500 of legal costs in preparing for and being represented in the Court hearing which were covered by their legal expenses insurance.

Employment Disputes

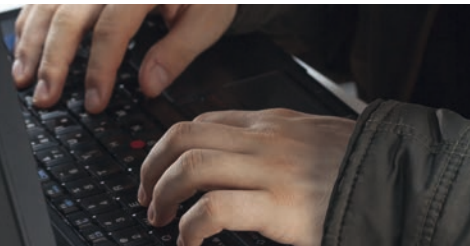
The insured advertised for a new qualified care assistant for their business on the south coast. They received an application from an individual based in Scotland. The application letter was typed with a number of typos and generally shabby appearance. The insured did not invite the applicant for an interview primarily on the basis of the vast geographical distance and the less than carefully prepared application. The insured then received an Employment Tribunal claim for race discrimination, claiming that the only reason the applicant was not invited was on the basis of race. The insured defended their position robustly and eventually the applicant withdrew their claim for discrimination, but not before the insured had incurred £4,500 of legal costs which were covered by the insurance.

Tax Protection

HMRC undertook an investigation of an estate owner's payments to sub-contractors. They concluded that the payments were not being disclosed and that the estate owner had a tax obligation to HMRC. Expert tax advice from Abbey Tax Protection and representation at an initial meeting with the HMRC Inspector enabled the estate owner to successfully defend the allegations. HMRC were forced to withdraw the claim. The additional accountancy costs incurred by the estate were borne by Abbey Legal Protection under the legal expenses policy.

Property Disputes

The insured leased the whole top floor office space of a large complex of offices. The roof leaked preventing the insured from using their office and damaging their equipment. The insured asked the landlord to fix the roof. The landlord claimed it was the responsibility of the tenant (insured) to repair. The insured sued the landlord. In court the judge found the roof was the responsibility of the landlord and he ordered them to pay the insured damages to compensate for their loss. The Insured's legal costs of £32,000 were covered.



Data Protection

The insured operated a medical advice centre. One of the insured's employees had a laptop containing 8,000 individual data sets stolen from his home. The data included names, dates of birth, postcodes, and medical problems. The Information Commissioner considered imposing a direct civil monetary penalty on the insured. The Insured through their lawyer explained the robust procedures they had for controlling the data including the encryption of the laptop. The ICO eventually decided not to impose the penalty. The insured was covered for their legal costs of £7,000.

Statutory Licence

A "statutory licence" is a licence or certificate of registration issued under statute, statutory instrument or by a Government or local authority to the Insured provided that such licence or certificate is necessary to engage in the Business Description of the Insured.

The insured owns a garage business including car sales, repairs and MOT testing. Following a number of complaints the Driver and Vehicle Standards Agency audited the MOT testing records and standards and decided to remove the authority to carry out MOT test. The insured appealed that decision setting out their exemplary record and experience. On appeal DVSA reinstated the insured's licence. The insured legal costs of £15,000 in the appeal were covered by the insurance.



Personal Injury

The insured runs a grocery business delivering fruit & vegetables to restaurants, hotels and catering businesses throughout the North West. One of the delivery drivers was injured when hit by another car while delivering groceries for the employer. The insured wanted to assist his long-standing employee and arranged for a lawyer to sue the other driver for compensation, which was successful. The legal costs were £12,000 the majority of which were recovered from the other driver.

Wrongful Arrest Defence

The insured owns and runs a large independent supermarket store. They discovered and stopped a young man seeking to leave the shop with a number of items that he had not paid for hidden on his person. The insured's employees detained the man and called the police. Eventually the police arrived and suggested that the matter was not progressed because of the lack of evidence. The man then sued the insured alleging wrongful arrest. Eventually the man dropped his claim on receipt of an apology from the insured. The insured was covered for his £4,000 of legal costs.



Jury Service

The insured runs a small plumbing business. One of his three employees was called for Jury Service and was away from work for 10 working days. The insured decided to pay his employee while he was on jury service and claimed the costs from the insurance.