

## **CLAIMS EXAMPLES – BARCLAY BROWN – LEGAL EXPENSES SCHEME**

### **CONTRACT**

The insured was advised by its pension consultants that it should close the two existing pension schemes and set up a group scheme. The consultant advised that there would be a shortfall of £300,000. However this turned out to be in the region of £1.5m. The insured sued for negligent advice under their insurance policy. An out-of-court settlement was reached and the insured was awarded compensation but not its own costs that had reached £40,300 costs of which were met by the policy.

### **PROSECUTION**

Our insured owned a clothes shop and bought stock from a number of different suppliers. He purchased a selection of coats in good faith from a trader. The following week the police raided the shop alleging that the coats had been stolen and confiscated them. Although our insured protested his innocence, the authorities decided to charge him with handling stolen goods. However the courts accepted that our insured had bought the coats in good faith and acquitted him. We paid the insured's legal costs of £12,000 incurred as a result of the action

### **EMPLOYMENT**

The Human Resources manager of a supermarket rang our Legal Consultants after they had caught an employee in the possession of stock that did not belong to them. Following advice given by our helpline the company suspended the employee on full pay pending an investigation. Having continued to liaise with our consultants throughout the investigation the employee was dismissed for gross misconduct. While the former employee submitted a claim for unfair dismissal, the employment tribunal rejected his arguments as they felt that the conduct of the company was correct. Although the company won they were still liable for £3,000 legal costs which were paid by us.

### **PROPERTY**

Our insured's premises were located behind some factories and could only be accessed via a small alley. The insured encountered problems with lorries belonging to a neighbouring business which blocked the entrance to the alley. This caused delays in getting stock to customers and resulted in loss of business. The insured contacted us and we employed one of our panel solicitors to pursue the neighbouring business for damages as well as an injunction to stop lorries denying them access. The insured was successful in obtaining an injunction as well as receiving £12,000 in damages. We paid the legal costs of £7,000 that had been incurred by the insured.

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### **TAXATION**

The insured employed a number of sales people who each had a company car which they used both for business and pleasure. In order to separate the amount of fuel used in the course of business, they would claw back a third of the total cost through the expenses claim system. The Inland Revenue had previously conducted a review of this procedure and were satisfied that it was suitable. However following a meeting the Inland Revenue stated that the expense claim form did not accurately record all business and private mileage. With the help of an accountant our insured was able to come to some agreement that was acceptable as to how the expenses claim form should be completed. The insured did not receive a fine nor were they asked to pay an additional amount for previous years. We met the accountant's fees of £4,500.

### **DATA PROTECTION**

Our insured was served with an enforcement notice to amend financial data that they held relating to certain individuals. The insured appealed against this and via our panel solicitors managed to overturn the Registrar's decision. We met the legal fees of £25,000 that had been incurred in this dispute.

### **STATUTORY LICENCE**

Our insured owned a public house which had a licence for music and dancing. Every Friday the insured held a '70's disco night'. This extended the normal opening hours of the public house. Neighbours complained to the local authority about the volume of noise. The pub had its music and dancing licence revoked despite representation to the Local Authority Licensing Committee and the magistrates' court. The insured carried out sound proofing works on the building and was successful in having its licence reinstated following an appeal to the county court. The legal expenses policy covered the legal costs of the appeal action.