

# Landlords' Legal Expenses Policy Document



**COMMERCIAL  
EXPRESS**

# Landlords' Legal Expenses

Please read this policy carefully and in full to familiarise yourself with the terms and conditions, as well as the:



Legal and tax advice helpline



Landlords' Legal Services website



Claims procedure.

If you are unsure about anything in this document please contact whoever you purchased your policy from.

## Obtain a claim form

To ask for a claim form call us on 0117 917 1698 between 9am and 5pm weekdays (except bank holidays) or go online [www.arag.co.uk/newclaims](http://www.arag.co.uk/newclaims)

## Telephone helpline

24/7 legal advice on tenancy-related legal matters within UK law 0344 571 7975

UK tax advice 9am to 5pm weekdays (except bank holidays) 0344 571 7975

## Landlords' Legal Services

Register today on our Landlords' Legal Services website and enter the voucher code EC426C378CB8 to access the law guide and 21 indices to give to your tenant to leave the property, letters to demand unpaid rent or give notice of the deposit protection scheme. You can access other documents that will help you as a landlord or property owner.

## Main benefits of Landlords' Legal Expenses

Cover empowers you to protect your legal rights as a landlord of residential property. With support from ARAG you could be protected from legal costs arising from:

- repossession
- property damage, nuisance and trespass
- recovery of rent arrears
- property-related prosecution defence.

You could also be protected from alternative accommodation and/or storage costs while trying to gain repossession of your property.

Rent indemnity options are also available.

## Who is ARAG?

ARAG's UK operation provides a nationwide service from our Bristol Head Office. We are part of ARAG SE, a global leader in legal expenses insurance which generates annual premium income in excess of €1.8 billion.

It has always been our vision to enable everyone, not just those that can afford it, to assert their legal rights. With this aim in mind we provide innovative and affordable products to both companies and individuals.

We are committed to providing our customers with guidance, advice and security, both now and in the future. We recognise that we will only grow by ensuring that we provide excellent products and an outstanding service to our customers.

## Important information

### Helpline

All helplines are subject to fair and reasonable use. The level of fair usage will depend on individual circumstances. However, if our advisors consider that your helpline usage is becoming excessive, they will tell you. If following that warning usage is not reduced to a more reasonable level, we can refuse to accept further calls.

### Legal and tax advice 0344 571 7975

If you have a legal or tax problem relating to your property, we recommend you call our confidential legal and tax advice helpline. Legal advice is available 24 hours a day, 365 days a year, and tax advice is available between 9am and 5pm on weekdays (except bank holidays).

The advice covers tenancy-related legal matters and tax matters within the UK. Your query will be dealt with by a qualified specialist who is experienced in handling legal or tax-related matters. Use of this service does not constitute reporting of a claim.

### Claims procedure

If you need to make a claim you must notify us as soon as possible and, if your claim concerns rent arrears, within 30 days of the rent first becoming overdue. When legally required, you must have first correctly issued the necessary notices informing your tenant of your intention to repossess the property.

- 1) Under no circumstances should you instruct your own lawyer as the insurer will not pay any costs incurred without our agreement.
- 2) You can download a claim form at [www.arag.co.uk/newclaims](http://www.arag.co.uk/newclaims) or you can request one by telephoning us on 0117 917 1698 between 9am and 5pm Monday to Friday (except bank holidays).
- 3) Your completed claim form and supporting documentation can be submitted to ARAG by email, post or fax. Further details are set out in the claim form itself. We will send you a written acknowledgment by the end of the next working day after the claim is received.
- 4) Within five working days of receiving all the information needed to assess the availability of cover under the policy, we will write to you either:
  - a) confirming cover under the terms of your policy and advising you of the next steps to progress your claim; or
  - b) if the claim is not covered, explaining in full the reason why and advising whether we can assist in another way.
- 5) When a lawyer is appointed they will try to resolve your dispute without delay. Matters cannot always be resolved quickly particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

## Privacy statement

This is a summary of how we, on behalf of the insurer, collect, use, share and store personal information. To view our full privacy statement, please see our website [www.arag.co.uk](http://www.arag.co.uk) The insurer's full privacy notice may be found at the following link: <https://www.hdi-specialty.com/int/en/legals/privacy>

### Collecting personal information

ARAG may be required to collect certain personal or sensitive information which may include name, address, date of birth and if appropriate medical information. We will hold and process this information in accordance with all relevant data protection regulations and legislation.

Should we ask for personal or sensitive information, we undertake that it shall only be used in accordance with our privacy statement. We may also collect information for other parties such as suppliers we appoint to process the handling of a claim.

### Using personal or sensitive information

The reason we collect personal or sensitive information is to fulfil our contractual and regulatory obligations in providing this insurance product, for example to process premium or handle a claim. To fulfil these obligations, we may need to share personal or sensitive information with other organisations.

We will not disclose personal or sensitive information for any purpose other than the purpose for which it was collected. Please refer to our full privacy statement for full details.

### Keeping personal information

We shall not keep personal information for any longer than necessary.

### Your rights

Any person insured by this policy has a number of rights in relation to how we hold personal data including; the right to a copy of the personal data we hold; the right to object to the use of personal data or the withdrawal of previously given consent; the right to have personal data deleted. For a full list of privacy rights and when we will not be able to delete personal data please refer to our full privacy statement.

### What happens if the insurer cannot meet its liabilities?

The insurer is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation of up to 90% of the cost of your claim in the unlikely event that the insurer cannot meet its obligations. Further information about compensation scheme arrangements is available at [www.fscs.org.uk](http://www.fscs.org.uk)

## Landlords' Legal Expenses

This policy is a contract between you and the insurer. The policy and schedule shall be read together as one document. Terms that appear in bold type have special meanings. Please read Meaning of words & terms for more information.

### Your policy cover

Following an Insured event the insurer will pay your legal costs & expenses up to £100,000 for all claims related by time or originating cause subject to all of the following requirements being met:




1. You have paid the insurance premium.
2. You keep to the terms of this policy and cooperate fully with us.
3. Your claim
  - a) always has reasonable prospects of success and
  - b) is reported to us
    - i) during the period of insurance and
    - ii) as soon as you first become aware of circumstances which could give rise to a claim and
    - iii) within 30 days of rent first becoming overdue if your claim concerns rent arrears.
4. Unless there is a conflict of interest, you agree to use the appointed advisor chosen by us in any claim
  - a) falling under the jurisdiction of the small claims court and/or
  - b) prior to the issue of proceedings.
5. Any dispute will be dealt with by a court.

A claim is considered to be reported to us when we have received your fully completed claim form and all supporting documentation.

This policy will pay any otherwise covered claim involving the use of or inability to use a computer, including devices such as smart phones, tablets and wearable technology. This cover is subject to all other policy terms.

# Insured events covered

## Part A – Legal expenses

<p>1 Repossession</p> <p>Cover to pursue your legal rights to repossess your property that you have let under a tenancy agreement provided you:</p> <ol style="list-style-type: none"><li>have demanded rent in writing from your tenant as soon as it is overdue and can provide evidence of this</li><li>have given the tenant the correct notices for the repossession of your property</li><li>are seeking a right of possession where the court MUST find that the named ground of possession applies.</li></ol> <p>(Visit our Landlords' Legal Services website to download notices demanding payment of late rent, and Sections 8 and 21 notices with covering letters.)</p> <p> where you have a licence agreement for your property you will be seeking to invoke the termination clause or</p> <p>(Visit our Landlords' Legal Services website to download a licence agreement to let a room to a lodger.)</p> <p> where you have a legal right to repossess property that has been let in accordance with the Private Tenancies (Northern Ireland) Order 2006.</p>	<p>What is not covered under Insured event 1</p> <p>Any claim where you are seeking a right of possession where the court MAY find that the named ground of possession applies.</p>
<p>2 Property damage, nuisance and trespass</p> <ol style="list-style-type: none"><li>An event which causes visible damage to your property and/or anything owned by you at your property, provided that in respect of a claim against your tenant for damage you have prepared, prior to the granting of the tenancy, a detailed inventory of the contents and condition of the property which the tenant has signed.</li><li>A public or private nuisance or a trespass relating to your property.</li></ol>	<p>What is not covered under Insured event 2</p> <p>Any claim arising from or relating to:</p> <ol style="list-style-type: none"><li>damage to your property that arises from or relates to a contractual agreement other than a tenancy agreement</li><li>trespass by your tenant or ex-tenant</li><li>the compulsory purchase of, or demolition, restrictions, controls or permissions placed on your property by any government, local or public authority.</li></ol>
<p>3 Recovery of rent arrears</p> <p>Pursuit of your legal right to recover rent due under a tenancy agreement for your property.</p> <p> (Visit our Landlords' Legal Services website to download initial letters to tenants regarding rent arrears).</p>	
<p>4 Accommodation &amp; storage costs</p> <ol style="list-style-type: none"><li>Your accommodation costs while you are unable to get possession of your property and/or</li><li>costs incurred for storage of your personal possessions while you are unable to reoccupy your property;</li></ol> <p>provided that</p> <ol style="list-style-type: none"><li>possession is sought because you wish to live at your property; and</li><li>you book and pay for accommodation and storage with our consent and seek reimbursement of the agreed costs from us.</li></ol>	<p>What is not covered under Insured event 4</p> <p>Any claim arising from or relating to:</p> <ol style="list-style-type: none"><li>accommodation costs exceeding £175 per day and in excess of £5,250 in total.</li><li>storage costs exceeding £50 for each complete week and in excess of £300 in total.</li></ol>
<p>5 Prosecution defence</p> <p>A prosecution against you that arises from you letting out your property.</p>	

## Part B – Rent indemnity (optional cover)

Following a claim we have accepted for repossession of your property under Insured event A 1. above, the insurer will pay you any rent owed to you until you gain possession provided that rent first falls into arrears during the period of insurance and while the tenant is living at your property.

Once you have gained possession of your property the most the insurer will pay shall be 75% of the monthly rent that was previously payable for a maximum further period of two months provided that you agree to re-let your property where an offer equal to or greater than 85% of the preceding rent is offered.

You are responsible for the first unpaid month's rent (which you have collected as a deposit) and after that the maximum rent the insurer will pay is

- a) 5 months for a 6 month policy or
- b) 11 months for a 12 month policy.

### Rent indemnity conditions

#### You must:

1. have signed a tenancy agreement with each tenant before you allow occupation of the property
2. prior to the granting of the tenancy, you must obtain in respect of the tenant:
  - a) a satisfactory reference from a previous managing agent or a previous landlord, and
  - b) a satisfactory reference from an employer (or other financial source), and
  - c) a credit history check (including County Court judgments, the Enforcement of Judgments Office and bankruptcy)  
(Where conditions 2.a) b) and c) cannot be met in full, a guarantor is required in which case only items b) and c) will apply to the guarantor)
  - d) evidence that the tenant has passed an affordability test to check that their income will sufficiently cover the rent payments  
(Visit our Landlords' Legal Services website to download initial letters requesting references for a prospective tenant)
3. not grant the tenancy if you are in any doubt of the integrity or the financial standing of the tenant or their guarantor
4. ensure that all conditions on the reference report are met and be able to demonstrate this
5. not enter into a tenancy agreement where a person has been requested to stand surety for the tenant unless that person has entered into a legally enforceable agreement in your favour
6. not enter into a tenancy agreement with a tenant where they already have an ongoing payment plan in respect of a previous rent default
7. not allow a tenant to occupy the property until the first month's rent in advance and one month's rent as a deposit has been paid in cash or payment has cleared in your bank account
8. comply with laws regarding tenant deposits before allowing a tenant to occupy the property
9. keep up-to-date rental records
10. ensure that where a tenant makes a payment of arrears, such payment is received on the express understanding that it is being taken on account of the longest outstanding sum of arrears that is due and is received without any prejudice to any termination notice and/or proceedings
11. agree to us setting off any retained deposit against the tenant's outstanding rent.

## What is **not covered** by this policy

You are not covered for any claim arising from or relating to:

1. legal costs & expenses incurred without our consent
2. any actual or alleged act, omission or dispute happening before, or existing at the start of the policy, and which you knew or ought reasonably to have known could give rise to a claim
3. any claim occurring during the first 90 days of the first period of insurance where the tenancy agreement started before the start of this policy (except where you had equivalent cover in force immediately prior to the start of this policy)
4. any civil action brought against you by your tenant
5. an allegation or prosecution against you involving:
  - a) assault, violence, indecent or obscene materials, dishonesty, malicious falsehood, defamation, the manufacture dealing in or use of alcohol, illegal drugs, illegal immigration
  - b) offences under Part 7 of the Proceeds of Crime Act 2002 (money laundering offences)
6. registering, assessing or reviewing rent, rent control, leasehold valuation or the jurisdiction of the First-tier Tribunal (Property Chamber)
7. a judicial review
8. a dispute with us or the insurer not dealt with under condition 6., a managing agent or the party who sold you this policy
9.
  - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
  - b) radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
  - c) war, invasion, act of foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
  - d) pressure waves from aircrafts or other aerial devices travelling at sonic or supersonic speed
  - e) any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, preventing or suppressing terrorist action. If the insurer alleges that by reason of this exclusion any liability or loss is not covered by this policy, the burden of proving the contrary shall be upon you
  - f) a dispute where providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

## Policy conditions

Where the insurer's risk under this policy has increased due to your failure to keep to these conditions the insurer can cancel your policy, refuse a claim or withdraw from an ongoing claim.

The insurer also reserves the right to claim back legal costs & expenses from you if this happens.

### 1. Your responsibilities

You must:

- a) tell us immediately of anything that may make it more costly or difficult for the appointed advisor to resolve the claim in your favour
- b) cooperate fully with us, give the appointed advisor any instructions we require, and keep them updated with progress of the claim and not hinder them
- c) take reasonable steps to claim back legal costs & expenses and, where recovered, pay them to the insurer
- d) keep legal costs & expenses as low as possible
- e) allow the insurer at any time to take over and conduct in your name, any claim.

### 2. Freedom to choose an appointed advisor

- a) In certain circumstances as set out in 2. b) below you can choose an appointed advisor. In all other cases no such right exists and we shall choose the appointed advisor.
- b) If:
  - i) we agree to start proceedings or proceedings are issued against you, or
  - ii) there is a conflict of interestyou may choose a qualified appointed advisor except where your claim is to be dealt with by the small claims court where we shall choose the appointed advisor.
- c) Where you wish to exercise the right to choose, you must write to us with your preferred representative's contact details. Where you choose to use your preferred representative, the insurer will not pay more than we agree to pay a solicitor from our panel. (Our panel solicitor firms are chosen with care and we agree special terms with them including rates which may be less than the rates available from other firms.)
- d) If you dismiss the appointed advisor without good reason, or withdraw from the claim without our written agreement, or if the appointed advisor refuses with good reason to continue acting for you, cover will end immediately.

### 3. Our consent

You must agree to us having sight of the appointed advisor's file relating to your claim. You are considered to have provided consent to us or our appointed agent to have sight of your file for auditing and quality and cost control purposes.

### 4. Settlement

- a) The insurer can settle the claim by paying the reasonable value of your claim.
- b) You must not negotiate, settle the claim or agree to pay legal costs & expenses without our written agreement.
- c) If you refuse to settle the claim following advice to do so from the appointed advisor the insurer reserves the right to refuse to pay further legal costs & expenses.

### 5. Barrister's opinion

We may require you to obtain and pay for an opinion from a barrister if a dispute arises regarding the merits or value of the claim. If the opinion supports you, then the insurer will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by us, then the insurer will pay for a final opinion which shall be binding on you and us. This does not affect your right under Condition 6. below.



## Policy conditions (continued)

### 6. Arbitration

If any dispute between you and us arises from this policy, you can make a complaint to us as described on the back page of this policy and we will try to resolve the matter. If we are unable to satisfy your concerns and the matter can be dealt with by the Financial Ombudsman Service you can ask them to arbitrate over the complaint.

If the dispute cannot be dealt with by the Financial Ombudsman Service, it can be referred for independent arbitration to a qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred.

If we and you fail to agree on a suitable person to arbitrate the matter we will ask the President of the relevant Law Society to nominate. The arbitration shall be subject to the Arbitration Acts and the arbitrator's decision shall be binding on the parties.

### 7. Other insurance

The insurer will not pay more than their fair share (rateable proportion) for any claim also covered by another policy, or any claim that would have been covered by any other policy if this policy did not exist.

### 8. Fraudulent claims and claims tainted by dishonesty

a) If you make any claim which is fraudulent or false, the policy may become invalid and all benefit under it may be lost.

b) At all times you shall be entirely truthful and open in any evidence, disclosure or statement you give and shall act with complete honesty and integrity throughout. Where, on the balance of probabilities and having considered carefully all the facts of the claim, it appears that you have breached this condition and that the breach has:

- i) affected our assessment of reasonable prospects of success, and/or
- ii) prejudiced in any part the outcome of your claim

the insurer shall have no liability for legal costs & expenses.

### 9. Cancellation

a) You may cancel the policy within 14 days of the date of issue of this policy with a full refund of your premium paid unless you have notified a claim which has been or is subsequently accepted under this policy in which case no return of premium shall be allowed.

b) You may cancel this policy at any time by giving at least 21 days' written notice to us.

The insurer will refund part of the premium for the remaining period of insurance unless you have notified a claim which has been or is subsequently accepted under this policy in which case no return of premium shall be allowed.

c) Where there is a valid reason for doing so, the insurer has the right to cancel the policy at any time by giving you at least 21 days' written notice. The insurer will refund the premium for the remaining period of insurance. We will set out the reason for cancellation in writing.

Valid reasons may include but are not limited to:

- i) where you fail to cooperate with or provide information to us or the appointed advisor in a way that materially affects our ability to process a claim, or our ability to defend the insurer's interests,
- ii) where you use threatening or abusive behaviour or language, or intimidate or bully our staff or suppliers,
- iii) where we reasonably suspect fraud.

The insurer also reserves the right to withdraw from any claim in the circumstances noted in 9 c).

## Policy **conditions** (continued)

10. Acts of Parliament, Statutory Instruments, Civil Procedure Rules & Jurisdiction All legal instruments and rules referred to within the policy shall include equivalent legislation in Scotland and Northern Ireland and any subsequent amendment or replacement legislation. This policy will be governed by English law.
11. Contracts (Rights of Third Parties) Act 1999  
Except for any person or business appointed as your agent to manage the letting of your property a person who is not party to this contract has no right to enforce the terms and conditions of this policy under the Contracts (Rights of Third Parties) Act 1999.

## Meaning of **words & terms**

Certain words and terms contained in this policy have been defined as they have the same meaning wherever they appear.

### Appointed advisor

The solicitor or other advisor appointed by us to act on your behalf.

### Insurer

HDI Global Specialty SE (commercial register number: HRB 211924), (FRN: 659331).

### Legal costs & expenses

1. Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the appointed advisor on the standard basis and agreed in advance by us. The term "standard basis" can be found within the Courts' Civil Procedure Rules Part 44.
2. In civil claims, other side's costs, fees and disbursements where you have been ordered to pay them or pay them with our agreement.
3. Your basic wages or salary from your work as an employee while attending court at the request of the appointed advisor where your employer does not pay you for time lost and payment is not recoverable from another party. The maximum the insurer will pay is £100 per day and £1,000 in total.
4. Accommodation and/or storage costs for Insured event A4.
5. **Rent indemnity payments as described under Insured event Part B - Rent indemnity.**

### Period of insurance

The period shown in the schedule to which this policy attaches.

## Property

The residential property shown in your schedule to which this policy attaches and which is located in England, Wales, Scotland or Northern Ireland.

## Reasonable prospects of success

1. Other than as set out in 2. and 3. below, a greater than 50% chance of successfully pursuing your claim against another person. If you are seeking damages or compensation, there must also be a greater than 50% chance of enforcing any judgment that might be obtained.
2. In criminal prosecution claims where you:
  - a) plead guilty, a greater than 50% chance of reducing any sentence or fine or
  - b) plead not guilty, a greater than 50% chance of that plea being accepted by the court.
3. In all claims involving an appeal, a greater than 50% chance of you being successful.

Where it has been determined that reasonable prospects of success do not exist, you shall be liable to pay any legal costs incurred should you pursue or defend your claim irrespective of the outcome.

## Small claims court

A court in England & Wales that hears a claim falling under the small claims track in the County Court as defined by Section 26.6 (1) of the Civil Procedure Rules 1999; a court in Scotland that uses the simple claims procedure as set out by the Courts Reform (Scotland) Act 2014; a court in Northern Ireland where the sum in dispute is less than £3,000.

## Tenancy agreement

An agreement to let your property:

1. under an assured shorthold tenancy; or
2. under an assured tenancy; as defined by the Housing Act 1988 as amended by the Housing Act 1996 and the Assured Tenancies (Amendment) (England) Order 2010; or
3. under a Scottish private residential tenancy as defined by the Private Housing (Tenancies) (Scotland) Act 2016; or
4. under a short assured tenancy or assured tenancy as defined by the Housing (Scotland) Act; or
5. in accordance with the Private Tenancies (Northern Ireland) Order 2006; or
6. to a limited company or business partnership for residential purposes by its employees; or
7. where you live at your property and have one or two written licence agreement(s) which contain(s) a termination clause.

## We/us/our

ARAG plc who is authorised under a binding authority agreement to administer this insurance on behalf of the insurer.

## You/your

The person(s) named in the schedule and/or any person or business appointed as their agent to manage the letting of the named person's property to the extent that any such agent has acted on behalf of the person named in the schedule.

Signed by



Managing Director ARAG  
plc

# How we handle complaints

## Step 1

ARAG is committed to providing a first class service at all times. However, if a complaint arises, this should be addressed to our Customer Relations Department who will arrange to have it reviewed at the appropriate level. We can be reached in the following ways:



0117 917 1561 (hours of operation are 9am-5pm, Mondays to Fridays excluding bank holidays. For our mutual protection and training purposes, calls may be recorded).



customerrelations@arag.co.uk



ARAG plc, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN.

## Step 2

If we are not able to resolve the complaint to your satisfaction then you can refer it to the Financial Ombudsman Service (FOS). They can be contacted at:



0800 0234 567 or 0300 123 9123



complaint.info@financial-ombudsman.org.uk



Financial Ombudsman Service, Exchange Tower, London, E14 9SR.

The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find more information on the Financial Ombudsman Service at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

The FOS's decision is binding upon the insurer, but you are free to reject it without affecting your legal rights.

ARAG plc is registered in England number 02585818. Registered address: 9 Whiteladies Road, Clifton, Bristol BS8 1NN. ARAG plc is authorised and regulated by the Financial Conduct Authority firm registration number 452369.

ARAG plc is authorised to administer this insurance on behalf of the insurer HDI Global Specialty SE. Registered address: Roderbruchstraße 26, 30655 Hannover, Germany.

HDI Global Specialty SE is authorised and regulated by Bundesanstalt für Finanzdienstleistungsaufsicht. Deemed authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. (FRN: 659331).

[www.arag.co.uk](http://www.arag.co.uk)