

# Landlords' Legal Solutions



# Why you need Landlords' Legal Solutions

As a landlord you hope to have a harmonious and trouble free relationship with your tenant, but what if something goes wrong?

Unfortunately, all landlords are exposed to the risk of a tenant falling behind with their rent, refusing to leave at the end of a tenancy or causing damage to the property. If you have a legal dispute with a tenant it can be expensive, time-consuming and stressful to deal with.

You are protected for legal costs and, where applicable, indemnity for rent arrears up to £50,000.

## What we cover

We will appoint a solicitor to represent you and pay their costs to protect your rights as a landlord arising from:

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

We will also pay alternative accommodation and/or storage costs while trying to gain possession of your property.

Rent indemnity cover is also included so you do not end up out of pocket if repossession is being sought and your tenant defaults on rent due.

*Let with confidence*



## Who is ARAG ?

ARAG plc is part of the global ARAG Group, the largest family-owned enterprise in the German insurance industry. Founded in 1935, on the principle that every citizen should be able to assert their legal rights, ARAG now employs 4,000 people around the world and generates premium income in excess of €1.8 billion.

Operating in the UK since 2006, ARAG plc provides a comprehensive suite of “before-the-event” and “after-the-event” legal insurance products and assistance solutions to protect both businesses and individuals.



# Examples of when we can help



## Repossession

Our insured contacted us for legal advice after their tenant fell into arrears and continued to ignore reminders for payment. We directed our insured to our Landlord Legal Services website to download the necessary legal notice requiring the tenant to quit the property. Unfortunately the tenant ignored the legal notice and the matter escalated. We instructed solicitors to obtain a court order for repossession and paid solicitor's costs and the court fee.

*It has always been our vision to enable everyone, not just those that can afford it, to assert their legal rights.*

## Recovery of rent arrears

Our insured contacted us after their tenant failed to pay rent for three months and then vacated the property. Despite our insured chasing their tenant for payment they were unable to get any response. We approved the claim and passed the matter to a panel solicitor. They were able to negotiate a payment plan with the tenant who was having cashflow issues. The insured received repayment plus interest over the following six months. ARAG settled the solicitor's cost.

## Rent indemnity

As the insured had complied with the policy terms, we agreed to pay the rent arrears that had been incurred while repossession was being sought together with 75% of the rent for a further two months following repossession.



## Assistance when you need it

Landlord Legal Solutions includes a number of useful assistance services providing helplines and online help. Here is a summary.

### Legal and tax advice

- Legal advice line – 24 hours a day, 365 days a year providing advice on tenancy-related legal matters within UK law.
- Tax advice line – open 9am-5pm, Monday to Friday (except bank holidays) to answer your personal tax queries subject to UK laws.
- Your query will be dealt with by a qualified specialist who is experienced in handling legal and tax-related matters.
- Services are subject to fair and reasonable use.

## Landlords' Legal Services website



Access to our digital law guide and legal documents to download, such as:

- Section 8 and Section 21 official notices giving a tenant notice to leave
- a letter to demand unpaid rent
- notices required to give tenants details of their deposit protection.

Please note there may be a charge for some documents.



# Important information

## 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.

# Important information (continued)

## What happens if I change my mind after taking out the policy

The policy provides you with a 14-day reflection period in which to decide whether you wish to continue. Cancellation is fully explained in condition 9 of the policy wording.

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

Brit Syndicate 2987 at Lloyd's is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation 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)



# Summary table

The table below shows a summary of cover. An Insurance Product Information Document is also available. For full terms and conditions of the policy, please read the policy wording.

Significant features & benefits	Significant exclusions or limitations	Where found
<p><b>Part A – Legal expenses</b> The insurer will pay your legal costs &amp; expenses (including the cost of appeals) up to £50,000 for claims reported during the period of insurance for the following:</p>	<ul style="list-style-type: none"> <li>It must be more likely than not that your claim will be successful.</li> <li>Your claim must be reported to us during the period of insurance and as soon as possible after you first become aware of circumstances which could give rise to a claim. In relation to rent arrears, this must be within 30 days of the rent first becoming overdue.</li> <li>You must agree to use our appointed advisor before proceedings are issued or for claims heard in the small claims court.</li> <li>The insurer will not pay legal costs &amp; expenses incurred before we agree to cover your claim.</li> </ul>	<p><b>Your policy cover</b> 3. a) 3. b) 4. <b>What is not covered by this policy</b> 1.</p>
<p><b>1. Repossession</b> We will pursue a claim for repossession of your property which is let</p> <ul style="list-style-type: none"> <li>in England or Wales as an assured shorthold tenancy or assured tenancy or</li> <li>in Scotland as a Scottish private residential tenancy, short assured tenancy or assured tenancy or</li> <li>in Northern Ireland subject to the Private Tenancies (NI) Order</li> <li>to a limited company or business partnership</li> <li>under licence agreements if you live at the property.</li> </ul>	<ul style="list-style-type: none"> <li>You must be able to provide evidence that you have demanded overdue rent in writing.</li> <li>There must be mandatory grounds for repossession.</li> </ul>	<p><b>Insured event Part A: 1</b> a)  c)</p>
<p><b>2. Property damage, nuisance and trespass</b> We will pursue a claim if your property or contents are damaged or affected by a public or private nuisance or trespass.</p>	<ul style="list-style-type: none"> <li>In respect of a claim against your tenant for property damage, prior to the granting of the tenancy, you must have prepared a detailed inventory of the contents and condition of the property which the tenant has signed.</li> <li>Damage that arises from a contract other than a tenancy agreement.</li> <li>Trespass by your tenant or ex-tenant.</li> </ul>	<p><b>Insured event Part A: 2</b> <b>What is not covered under Insured event Part A: 2</b> 1. 2.</p>
<p><b>3. Recovery of rent arrears</b> We will pursue a claim to recover rent arrears owed to you.</p>		
<p><b>4. Accommodation &amp; storage costs</b> We will pay accommodation and/or storage costs while you are unable to get possession of your property.</p>	<ul style="list-style-type: none"> <li>You must be repossessing your property to live in it yourself.</li> <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> </ul>	<p><b>Insured event Part A: 4</b> <b>What is not covered under Insured event 4</b> 1. 2.</p>

Significant features & benefits	Significant exclusions or limitations	Where found
<p><b>5. Prosecution defence</b> We will defend a prosecution against you that relates to the letting of your property.</p>	<p>Prosecutions alleging violent acts, dishonesty or relating to illegal drugs or alcohol, illegal immigration or indecent or obscene materials.</p>	<p><b>What is not covered by this policy</b> 4.</p>
<p><b>Part B – Rent indemnity</b> We will pay rent owed to you.</p>	<ul style="list-style-type: none"> <li>• Applies only where we cover your claim for repossession under Insured event A – Legal expenses.</li> <li>• Rent is payable up to 5 months for a 6 month policy or 11 months months for a 12 month policy until vacant possession is obtained after which we will pay 75% of rent that was previously due for up to two months.</li> <li>• You are responsible for the first unpaid month’s rent.</li> </ul> <p>You must have:</p> <ul style="list-style-type: none"> <li>• a signed tenancy agreement</li> <li>• vetted your tenant(s) or guarantor (if applicable) including obtaining credit reference checks</li> <li>• collected the first month’s rent in advance and one month’s rent as a deposit.</li> </ul>	<p><b>Part B – Rent indemnity</b></p> <p><b>Rent indemnity conditions</b> 1. 2.  6.</p>
<p><b>Territorial limit</b></p>	<p>Your property must be located in England, Wales, Scotland or Northern Ireland.</p>	<p><b>Meaning of words &amp; terms</b> <b>Property</b></p>
<p><b>Tenancy-related legal advice</b> Access by phone to experts for tenancy-related legal advice and tax advice.</p>	<ul style="list-style-type: none"> <li>• We will not put advice in writing.</li> <li>• Advice is restricted to tenancy-related legal matters.</li> <li>• Advice on UK tax law is available Monday to Friday between 9am and 5pm (except bank holidays).</li> <li>• We cannot advise on financial planning or financial services products.</li> <li>• Services are subject to fair and reasonable use.</li> </ul>	<p><b>Tenancy-related legal advice</b></p>
<p><b>Landlords’ Legal Services website</b></p> <ul style="list-style-type: none"> <li>• Visit our Landlords’ Legal Services website and register using your voucher code to download legal documents that can assist you with day-to-day issues that affect your residential property.</li> <li>• Many documents offer legal review services.</li> <li>• You can access our online law guide.</li> </ul>	<ul style="list-style-type: none"> <li>• Documents are restricted to landlord &amp; consumer legal matters.</li> <li>• Some documents can only be used in England &amp; Wales.</li> <li>• Many documents are free while others attract a modest charge.</li> <li>• Legal review services are subject to a fee.</li> </ul>	<p><b>Landlords’ Legal Services website</b></p>

# 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

Should you remain dissatisfied you can pursue your complaint further with Lloyd's. They can be reached in the following ways:



**0207 327 5693, Fax: 0207 327 5225**



**complaints@lloyds.com, Website: [www.lloyds.com/complaints](http://www.lloyds.com/complaints)**



**Lloyd's, One Lime Street, London EC3M 7HA.**

## Step 3

If Lloyd's is not able to resolve the complaint to your satisfaction then you can refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction. 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.

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ARAG plc and Brit Syndicate 2987 at Lloyd's are covered by the Financial Ombudsman Service.

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