

- ABC Promotions
- Employee capacity of 25
- Gross annual turnover of £1.5 million
- Holds a Commercial Legal Protection Insurance policy (CLPI)



Badly Branded

ABC Promotions is a merchandise company who produce branded goods. Last year they signed a contract with a financial firm to produce branded clothing and office equipment. When the goods were delivered, the customer refused to pay arguing that their logo was crooked and the wrong size.

Six months previously, ABC had taken out a Commercial Legal Protection Insurance policy (CLPI) with Abbey Legal Protection (ALP) which would insure them against legal costs should a contract dispute arise. Certain that the goods provided were in line with the client's specification ABC sought advice from solicitors through ALP's 24-hour advice line.

With ALP's agreement solicitors acting on behalf of ABC Promotions wrote to the customer, stating that there had been no breach of contract and payment was required immediately. The customer responded through their solicitors, that the order was not as specified and payment would not be made. ALP agreed to the starting of legal proceedings after ABC's solicitor advised that evidence was strongly in ABC's favour.

One month before the trial the customer approached ABC with an aim to settling out of court. It was agreed that the customer would pay £9,100 of the £10,000 price and make a contribution towards legal costs. ABC received over thirty hours of legal advice and incurred £5,550 in solicitor fees. These services were covered by ALP's CLPI policy for which ABC paid an annual premium of only £625.

With the case strongly in ABC's favour, the customer opted to settle out of court. ABC benefitted from over thirty hours of legal advice for an annual ALP premium of only £625