



Access Insurance Service – Charity Trustee Claims Examples.

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Discrimination

Charity established to provide accommodation and resettlement services for homeless people. Claim made against the charity by a former resident alleging that she had been discriminated against due to problems with her vision, and that as a result the charity had refused to resettle her. Action being brought against the charity under the Disability Discrimination Act 1995.

Misappropriate use of Charity Funds

Charity set up to provide help for people with disabilities. Investigation being brought by the Charity Commission in connection with the misuse of charity funds by an employee. Cover provided under the policy for legal costs and expenses incurred by the individual trustees and the like in defending themselves at an official investigation.

Professional services for another Charity

Charity providing nature conservation services and education of the public in the same area, also providing services for other related charities. Due to their size, they agreed to undertake collection of direct debit payments from members of a smaller charity, but due to an error in their administration, did not process any payments for some considerable time. The smaller charity is now pursuing them for serious loss of income

Professional service to member Charities

Charity providing support and housing to needy people, as well as providing services to member charities. This included assistance in making applications for rent income benefit in order that the members can provide similar services. It is alleged that the Assured misrepresented a member's costs in making the application and as a result, the rent income does not cover the costs incurred in providing accommodation for others. Member now suing the Assured for the shortfall as rents can only be reviewed annually.

Certification services for clients

Charity providing various services including certification of produce for clients in accordance with EU guidelines. Allegation made by a claimant that whilst they had incurred additional costs in complying with the guidelines, to ensure that they got the best possible price for their products the charity had not followed the guidelines when certifying other producers who had not followed the full EU rules. As a result, the claimant was unable to command a higher price for their produce, to recover the additional expense incurred as numerous competitors had been certified as EU compliant, when this was apparently not the case.

Residential Care Services

Charity providing residential care for elderly people. Claim made against them surrounding the circumstances in which they informed the family following a resident being rushed to hospital who subsequently died, with the result that some members of the family were unable to see the patient before their death. Alleging that the charity were negligent in their care of the resident and that they should have informed the family sooner when they the resident was taken to hospital.

Training of Medical Professionals

Charity providing numerous services which include the training of medical professionals on the techniques they must follow in treating patients at 'local' surgery level. Allegations made that charity had been negligent in their training following the pain and suffering that a patient had been put through, following treatment by an individual who had recently been trained by the charity in this area.

Racial Discrimination Claims

The employee alleges that he suffered racial discrimination whilst working for the trust, and that whilst off sick due to a whiplash injury, he was unfairly dismissed. The trustee claims that the employee was sacked due to their unsatisfactory performance and irregular attendance, during the employee's probationary period.

Trespass

The neighbouring landowner to the trust claims that recent constructions carried out by the trust infringed on their property. The trust claims that documents from the 18th century show that the previous owner passed the land over to them, whereas the claimant declares that the land never legally belonged to the previous owner. It appears that the claim will be upheld and that the claimant is indeed the legal owner of the disputed property. The trustees will be responsible for damages and for restoring the land to its former condition.

Defamation

Following publication of an article, the charity trustees were sued for defamation by another charity with similar objectives. The claimant stated that certain statements made in the article were untrue and gave a false representation of the charity. The matter was eventually settled out of court with considerable fees being paid.

Loss of Documents

The charity suffered a severe loss when over £6,500 of computer software was stolen. Not only were considerable amounts of software lost but also the data that was contained on them was also taken. The policy paid for the replacement of the data and software.

Breach of Authority

A claim was made against a trustee by one of the charity's employees. Before the charity ceased operating the trustee had indicated that employees would receive an enhanced redundancy payment, which was in breach of his authority. As a result, several employees had made financial decisions based on that statement, and hence ran up costs to cancel these arrangements.

Denial of Access

A claim was made against the trustees as they had sub-let a section of their premises to another organisation. This had been done without consultation to the landlord and broke the conditions of the charity's lease on the property, and subsequently he ordered the eviction of the sub-tenants. The evictees brought a successful claim against the trustees for denial of access.

Legal fees to defend a Charity Commission investigation

The Charity Commission (CC) investigated a trust that was originally established during the 1960's to research into artificial insemination. The CC investigated the trust's activities on the grounds that they were no longer concerned with research and hence were not charitable in their nature. The trust successfully defended their charitable status, and the legal fees were paid under the policy

Claim for Dishonesty of a Trustee

A claim was made by a charity, which had suffered a loss of over £12,000. Due to poor internal controls, one of its trustees managed to fraudulently withdraw £11,000 in a single transaction, then a further £1500 at a later date. The claim was settled for 80% of the total amount plus fees, a total amount of over £9,500.

Legal fees to defend a Charity Commission Investigation

An investigation by the Charity Commission led to allegations of the charity using their charitable status for avoidance of tax on their trading subsidiary. The charity was required to re-structure their operation at their own cost, but the legal fees and other costs in their investigations and defending these allegations were covered, coming to a total of over £1,200.

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