

Examples of Claims Affecting Educational Establishments

Regulation

Police and Serious Fraud Office

Following allegations of financial irregularity against the governors and head teacher, an academy faced a lengthy enquiry into its financial affairs. After more than 12 months, they were found to have no case to answer. Legal representation costs came to more than £75,000.

Data Protection

Following a series of complaints surrounding the confidentiality of sensitive student data, a further education college faced an investigation by the Information Commissioner's Office. Following agreement by the college to tighten their procedures, no further action was taken. Legal costs in representing the college exceeded £50,000.

Tax Regulations

The governors and head teacher of an academy were prosecuted by HM Revenue & Customs after it was alleged that they had made false statements in filing a tax return. Legal fees in the case came to more than £70,000.

Employment

Sexual Harassment and Emotional Distress

A teacher at an academy made a claim against her employer for sexual harassment. She said she had suffered lewd comments and inappropriate behaviour from her department head. Her complaints to the head teacher and governors had not been taken seriously leaving her mentally distressed and unable to work. She was awarded £75,000 and the school's legal costs were more than £40,000.

Bullying, Harassment and Discrimination

A former employee of an independent school alleged that she had been the subject of bullying and harassment by her managers due to her religion, forcing her to quit her job. The case was successfully defended at a hearing, however, the school was left with a legal bill of more than £30,000.

Life Assurance

After the death of an employee, an independent school had a claim made against them by the partner of the deceased alleging that the school had failed to notify

the life assurance company of his wishes to change his dependant details. This led to a payment to his ex-partner. The matter settled for almost £100,000 and incurred £15,000 in legal fees.

Employee and Third Party Fraud

Theft by School Business Manager

The Business Manager of an academy stole more than £72,000 over an 18 month period. The policy provided cover against the financial losses.

Third Party Fraud

Following payment of what they believed to be an invoice from one of its suppliers, it emerged that a further education college had been the victim of a fraud costing them £65,000. The policy provided cover against the financial losses.

Professional Negligence

An independent school faced a claim from a foreign parent alleging it had not provided the correct level of tuition leading to the student failing to achieve her expected grades. Legal costs in successfully defending the case exceeded £100,000.

The above are examples only of the types of claims and investigations that can affect educational establishments. Claims are dealt with on a case by case basis and cover is subject to the full terms, conditions and exclusions of the policy wording, a copy of which is available on request.
