

The complaint

Mrs H has complained that Crystal Legal Services Limited (“Crystal”) took almost three years to advise her they couldn’t help her pursue a claim to recover mis-sold payment protection insurance (PPI) – during which time she had to provide information repeatedly and chase Crystal to get updates.

What happened

In early 2017, Mrs H authorised Crystal to act on her behalf to try and recover mis-sold PPI from a company I’ll call L. Crystal submitted a data subject access request to L for information about the products she’d had with them.

When L didn’t respond, Crystal asked Mrs H to sign an up to date authority and re-submitted the request. Crystal asked Mrs H to sign a third authority after she told them the loan she had with L had been in joint names with another family member – so a joint authority was needed.

L responded, saying they couldn’t identify Mrs H from what Crystal had sent. Crystal contacted Mrs H. But, due to ill health, she didn’t reply, and Crystal closed their file.

Some months later, Mrs H contacted Crystal to find out what was happening with her claim. She provided additional documents, which Crystal considered. Having done that, Crystal said they couldn’t help her because her claim – which was in fact not against L, but another company which had sold the PPI - had been investigated in 2012. But they did offer to pass her details to solicitors to see if there was any other way to pursue her claim.

Four months later, Crystal confirmed they couldn’t pursue a claim against L.

Mrs H complained to Crystal about the communication she’d received from them during the course of trying to pursue her claim. Crystal investigated and confirmed the claim couldn’t be pursued because it had been raised in 2012 – and the company which had sold the PPI hadn’t been regulated at the time of sale.

Crystal confirmed Mrs H’s email address and apologised if emails they’d sent hadn’t reached her. And they said their communication with her over the phone could have been better. And that may have contributed to delay in identifying that there was a joint borrower and that a claim had already been made. Crystal apologised for this but said Mrs H hadn’t been financially disadvantaged by this.

Mrs H wasn’t satisfied with Crystal’s reply and brought her complaint to us. Our investigator considered it and concluded Crystal needed to do more to resolve it. She said it had taken Crystal nearly three years to decide they couldn’t assist Mrs H and should have checked the information they’d had from her far earlier in the claim. And she was satisfied Mrs H had done everything that was asked of her to progress the case. She thought Crystal should pay Mrs H £150 compensation for the delays.

In response to our investigator's view, Crystal repeated that their shortcomings hadn't led to any financial loss for Mrs H. And they said that the delays were in part due to Mrs H not replying.

Because Crystal didn't accept the investigator's view, I've been asked to make a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done that, I'm upholding Mrs H's complaint. I'll explain why.

I can understand Mrs H's frustration. It's clear from the information I've reviewed that she felt she had a strong claim to recover the PPI payments she'd made. She instructed Crystal to help her do that. It was only three years after those instructions Crystal told her they couldn't help.

It's not my role to decide whether Mrs H's claim should have succeeded. But I have thought about whether Crystal pursued the claim in line with the Claims Management: Conduct of Business sourcebook – which is part of the FCA Handbook and known as CMCOB.

The rules require claims management companies (CMC) to investigate the merits of a claim before pursuing it and not to pursue a claim that doesn't have a good base. I'd expect that investigation to include finding out information such as whether a loan was jointly held and whether a previous claim had been made.

From what I've seen, that didn't happen in relation to Mrs H's claim. It was only after Mrs H volunteered these pieces of information, months after she first contacted Crystal that Crystal advised her they couldn't help.

Before that happened, Mrs H provided information and completed several letters of authority when asked to. I accept that, as Crystal said, there were periods when Mrs H didn't contact them. But I don't think that it's fair to say that means Crystal didn't do anything wrong. I agree with them that they delayed in getting the information to decide they couldn't help Mrs H. I don't think that's fair.

Putting things right

I've thought about what more Crystal should do to resolve Mrs H's complaint. They have apologised. But they've not offered to do more, because they say what happened didn't financially disadvantage her. I agree Mrs H hasn't suffered any financial loss, because the claim was considered in 2012 – before Crystal was involved.

But our service isn't limited to making an award to compensate for financial losses. We may also make an award if we think what a business has done has caused its customer distress and/or inconvenience.

I'm satisfied from what I've seen that Mrs H was distressed and inconvenienced here. She was repeatedly asked to send information and contacted Crystal to find out what was happening over a considerable period of time – only to be told there was no viable claim to pursue. I think Crystal should pay her compensation for that. And I agree with our investigator that £150 is a reasonable amount for what happened here.

My final decision

For the reasons I've explained, I'm upholding Mrs H's complaint about Crystal Legal Services Limited and directing them to pay her £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 3 May 2022.

Helen Stacey
Ombudsman