

## The complaint

Ms P complains about the service she received from Amtrust Europe Limited in relation to her claim for legal expenses insurance (LEI).

Where I refer to Amtrust, this includes their agents and claims handlers.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. Ms P had previously sought to pursue a claim against her neighbour. This was declined and Amtrust had told Ms P that she would need to source a supportive opinion from her own solicitor if she wanted them to further consider the claim.

In 2020 Ms P submitted a new claim to Amtrust. Initially Amtrust thought it was the same issue that the previous claim had dealt with. But Ms P said that this related to different, new issues. As the new claim involved similar circumstances to the previous claim (a dispute with the same neighbour), Amtrust referred it back to the same panel solicitor 'M' to seek their comments on the prospects of success and proportionality (requirements for cover under the policy).

Ms P highlighted that she'd previously made a complaint about M and thought they might have a conflict of interests. But she later agreed that they assess the prospects of her case (after having sought advice from her own solicitor 'B'). M later said that they couldn't assist, and the claim was passed to a different panel solicitor 'T'. T ultimately said that elements of Ms P's claim pre-dated the policy and so weren't covered. And other parts of it in isolation would not be proportionate to pursue.

Ms P complained to Amtrust about the service she'd received. Amtrust upheld the complaint in part. They accepted there had been some delays and that they could have checked sooner with M about a conflict. They said that whilst this wouldn't have impacted on the claim decision, Ms P would have had her answer sooner. They offered Ms P £150 compensation for the impact of this.

Ms P referred the complaint to our service and one of our Investigators thought Amtrust had done enough to put things right and that they didn't need to do more. Ms P disagreed and asked for an Ombudsman to review her complaint.

I considered the complaint and initially wasn't persuaded that the £150 adequately compensated Ms P. So I informally asked Amtrust to reconsider their position. Amtrust returned with an increased compensation offer of £350. Our Investigator put this to Ms P and asked if this resolved matters for her. Ms P declined to accept the offer as she still didn't feel this was a fair outcome. The complaint has therefore come back to me to decide.

## **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.

Both parties agree and accept that there were some avoidable delays and poor service in the overall handling of Ms P's claim. So there is no merit in setting out the specific details of this again. All that remains to be decided is whether the increased offer of £350 compensation is fair and reasonable. I think it is and I'll explain why.

Amtrust aren't responsible for the service provided by panel solicitors or the day to day management of the underlying legal claim. And for much of the time involved Amtrust did appropriately and pro-actively manage the claim. But Ms P had made clear to Amtrust that she didn't think M would be able to act for her. And I think Amtrust easily could have asked M about this sooner than they did.

I agree that the service provided didn't impact on the claim decision reached. And I'm not persuaded that Ms P incurred costs with B that it would be reasonable to ask Amtrust to meet. But I accept that Ms P was already under a great deal of stress whilst dealing with a long running neighbour dispute. And I think the service failings by Amtrust added to this at what was already a difficult time.

There is a balance to be struck as it wouldn't be fair for me to hold Amtrust liable for all the distress and inconvenience Ms P felt. As I've said above, they aren't responsible for the actions of panel solicitors, nor for the behaviour of Ms P's neighbour or the wider circumstances of the pandemic which featured for some of the duration of the claim. And in this context, I think the £350 compensation is fair for the impact of the service failings that Amtrust are responsible for in the time period relevant to this complaint (up until their complaint response dated 3 August 2021).

## **My final decision**

For the reasons outlined above, my final decision is that I uphold this complaint in part. Amtrust Europe Limited must pay Ms P £350 compensation. If Ms P has already been paid the original £150 that was offered, then only a further £200 needs to be paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 30 August 2022.

Richard Annandale  
**Ombudsman**