

The complaint

Miss O complains that Inter Partner Assistance SA (“IPA”) have mishandled her legal expenses insurance claim which led to her receiving a reduced settlement.

IPA use intermediaries to administer their legal expenses policy and manage claims on their behalf, so any reference to the insurer within this decision should be read as including the acts or omissions of any such intermediaries.

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my 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 so, I agree with the conclusions reached by the investigator for the reasons set out below:

- After Miss O was told by IPA’s panel solicitors (“Firm C”) that they were conflicted, she subsequently appointed her own solicitor (“Firm S”) which was funded by a conditional fee arrangement of 25% of the damages being payable to the solicitors.
- Miss O says that she was referred back to Firm C several times by IPA, despite telling them the firm was conflicted. And while I haven’t been provided with a copy of the relevant call recordings, I’m persuaded by her testimony on this point.
- After having mistakenly referred Miss O back to Firm C, I also accept it’s possible that IPA discussed the potential for her being able to choose her own solicitors. But even if they did, it is still a condition of all legal expenses policies that any legal adviser chosen by the insured will represent them in line with the insurer’s standard terms of appointment, which were never seemingly presented or agreed with IPA before Miss O instructed them. So, seeing as Miss O did not seek agreement with IPA for Firm S to be appointed, I don’t consider the insurer can fairly be held liable for the reduction in Miss O’s settlement in order to pay her solicitor’s conditional fee.
- Miss O says she was told that Firm C were the only solicitors her policy covered. But I can see that IPA subsequently instructed an alternative panel solicitor (“Firm T”) on 16 August 2018, where they emailed Miss O confirming this, as well as sending her a letter explaining *“It is a condition of the insurance that [Firm T] are instructed to act for you...the insurance does not cover the legal fees of any other solicitor unless a conflict of interest arises”*.
- So I’m satisfied Miss O ought reasonably to have been aware that alternative solicitors (who were *not* conflicted) had been instructed to act, and that she had the option of proceeding with solicitors that would *not* charge on a conditional fee arrangement basis and would be funded by the policy. However, Miss O decided to

continue instructing Firm S with her own private funding arrangement. Firm T eventually closed their file as she had not made contact with them, and neither were they able to get hold of her. So, given that Miss O did not follow up with IPA to seek agreement for her chosen solicitors, the costs she has incurred with Firm S are not covered under the policy. And I do not consider IPA have acted unfairly by refusing to cover such costs as they offered her another panel solicitor when Firm C initially said they were conflicted.

- However, I accept that the service Miss O received from IPA did at times fall below an acceptable standard. I accept it's likely that Miss O was referred back to IPA's panel solicitor ("Firm C") despite them saying they could not be appointed due to a conflict of interest, and despite Miss O having clearly explained this to the insurer. And I can also see that she sometimes did not have her calls returned and has had to chase the insurer for updates. The investigator recommended an award of £150, which I understand Miss O may not feel is commensurate to the experience she has had. But while I appreciate this would have been stressful and frustrating at times, I'm not persuaded it has caused more than moderate upset or inconvenience. So, I consider £150 to be fair compensation in the circumstances.

I appreciate this may come as a disappointment to Miss O, and I'm sorry to hear about the accident she was involved in and the impact this has had on her life. But while I'm sympathetic to her situation, I don't think that acts or omissions of IPA warrant any higher compensation than £150.

My final decision

For the reasons given above, I uphold this complaint in part and direct Inter Partner Assistance SA to pay £150 to Miss O within 28 days of receiving notification of her acceptance of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 27 September 2022.

Jack Ferris
Ombudsman