

## The complaint

Mr J's complained that Get Claims Advice Ltd ("GCA") charged him a success fee when he recovered money in a pension mis-selling claim – even though he'd heard nothing from them for over two years.

## What happened

In summer 2017, Mr J contacted GCA and asked them to pursue a claim for a mis-sold pension. He signed a "no win, no fee" agreement, under which GCA would receive a fee of 20% plus VAT in the event a claim was successful. Because the seller had been dissolved, GCA submitted Mr J's claim the Financial Services Compensation Scheme (FSCS).

In January 2018, the FSCS wrote to Mr J with an interim decision that he wasn't entitled to any compensation at that point. The letter explained the FSCS couldn't be sure exactly what Mr J's overall loss might be, so their calculations could be updated in future when that was known. Mr J says he believed that letter ended his relationship with GCA.

About two years later, Mr J became aware that one of the companies holding his pension investment was going into administration. Following advice from the FCA and Citizens' Advice Bureau, he instructed a different claims management company.

Towards the end of 2020, Mr J was awarded £25,695.66 by the FSCS. The FSCS paid the award to solicitors representing GCA. The solicitors held the money while the wording of a notice of acceptance was agreed, as Mr J felt that GCA shouldn't be entitled to their fee.

Mr J complained to GCA that they'd not been in contact with him from the time the FSCS had made their interim decision until the payment had been made. And he said they should have released his money more quickly than they had and retained it to pressurise him into paying their fee.

GCA investigated the complaint and wrote to Mr J with their conclusions. They said the FSCS's letter sent in January 2018 was clear that a recalculation would be made. GCA said they'd told Mr J they'd monitor his investments as they'd not been taken into account when calculating the interim offer.

And they said that their retainer continued until the claim was concluded or Mr J gave them notice he was ending it – which he hadn't done. They said they'd contacted Mr J in August 2020 to tell him the FSCS were reconsidering his claim and they would pursue that for him. And they'd received nothing from Mr J to suggest any reason they shouldn't do that.

Mr J wasn't satisfied with GCA's response and brought his complaint to us. Our investigator considered it and concluded GCA didn't need to do any more to resolve it. He said the authority signed by Mr J made it clear it continued until such time as Mr J cancelled it in writing. And Mr J's lack of response to the email in August 2020 suggested he was happy for GCA to continue to act.

Mr J didn't agree with the investigator's view. So I was asked to make a decision.

I came to a slightly different conclusion from our investigator. So I made a provisional decision. I found no evidence that either party had cancelled their agreement – although Mr J indicated he thought it has lapsed due to the lack of contact from GCA.

I said that wasn't enough for me to conclude the agreement had been terminated. Nor did I see anything which led me to conclude Mr J had received payment from the FSCS because he had other representation or had dealt with them himself. So I concluded on balance GCA are entitled to their payment.

Nor did I think Mr J should be compensated for any delay in receiving his payment, because the terms of the agreement made it clear that money would be released once Mr J had signed a notice of acceptance. Mr J negotiated the wording of this before signing.

But I did think GCA should compensate Mr J for the lack of contact from GCA between February 2018 and August 2020. During this time, GCA said they were monitoring Mr J's investments so I think it would have been reasonable to update him periodically – as well as complying with their obligations as set out in the Claims Management: Conduct of Business sourcebook (CMCOB). I provisionally decided GCA should pay Mr J £200 compensation for this lack of contact.

Both parties have now had the opportunity to comment – so the matter's now been returned to me to make my final 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 Mr J's complaint to the extent I set out in my provisional decision. I'll explain why.

Mr J responded to my provisional decision, saying he was effectively told in January 2018 there was nothing they could do to help him. And he says when he became aware of his losses in 2020, he spoke to the FCA – which he wouldn't have done if he knew his contract with GCA still existed. GCA say they told Mr J they'd continue to monitor his investments after this time.

Neither party has been able to provide any evidence to support what they've said. So I've had to rely on the terms of the agreement Mr J signed. As I said in my provisional decision, the agreement set out the ways in which it could be cancelled – none of which applied in this case.

Mr J also suggested that changes should be made to the way in which cases like his should be dealt with, and businesses like GCA shouldn't be allowed to continue beyond a certain time without renewing the agreement with their client. I understand why he feels that way.

But my role is to look at what happened in his case – not to comment on the way claims management companies operate. I'm satisfied in this case Mr J entered into the agreement with GCA. That agreement wasn't cancelled and, ultimately, as a result of the claim lodged by GCA with the FCA, Mr J received a payment. So I can't say GCA shouldn't receive their fee.

### **Putting things right**

While I'm satisfied it's reasonable for GCA to charge their fee, I said in my provisional decision that they should pay Mr J £200 compensation for not getting in touch with him for over two years.

Mr J didn't comment on this part of my provisional decision. GCA have accepted they should make compensate Mr J and have said they'll do this either by paying him £200 or deducting it from his outstanding invoice.

I think it's fair that Mr J decide how he wants to use the compensation he receives. So GCA should pay him £200, and not deduct it from their invoice.

### **My final decision**

For the reasons I've explained, I'm upholding Mr J's complaint and directing Get Claims Advice Ltd to pay him £200 compensation for their failure to update him for more than two years.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 11 November 2022.

Helen Stacey  
**Ombudsman**