

The complaint

Mr D and Miss J complain about the customer service U K Insurance Limited trading as NatWest Insurance (UKI) provided in connection with a legal expenses insurance (LEI) claim.

As Miss J has been leading on this complaint, for ease, I've referred to her throughout my decision. And any reference to UKI includes the action of its agents.

What happened

The events of this complaint are well known to both parties, so I've summarised what's happened.

- Miss J has a LEI policy which is underwritten by UKI. It was taken out alongside her home insurance policy.
- Following a dispute with a contractor about the quality of their work and damage to Miss J's home, she sought to pursue a legal claim using her LEI policy.
- Shortly after, UKI appointed a panel firm of solicitors to deal with Miss J's legal claim who determined the legal claim didn't enjoy prospects of success.
- In March 2022, Miss J complained to UKI about the solicitors – explaining they'd taken too long to respond to emails, that emails were being sent to an incorrect email address and that they'd lost information she'd provided.
- On receipt of her complaint, UKI forwarded Miss J's concerns to the solicitors and closed the complaint. UKI explained this to Miss J in its final response dated 1 March 2022.
- Miss J told UKI in April 2022 that she hadn't heard from the solicitors and was unhappy with things. UKI sent another email to the solicitors asking for an update.
- Unhappy, Miss J brought a complaint to this Service.
- Whilst the complaint was with us, UKI agreed to offer £100 compensation to reflect that it could've done more to address Miss J's concerns. Our Investigator considered this to reasonably reflect the difficulties Miss J had experienced, which included not informing Miss J that she could challenge the solicitor's legal opinion.
- Miss J disagreed and said the compensation doesn't cover the amount of money she'd spent in putting right the contractor's work. So, the complaint has been passed to me for a 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 so, I agree with the outcome our Investigator reached and I'll explain why, but first, it's worth clarifying what I can and can't consider as part of this complaint. It's clear Miss J was unhappy with the service she'd received from the panel firm of solicitors as well as the legal opinion it had reached - which said her legal claim didn't enjoy reasonable prospects of success. However, this Service doesn't have jurisdiction to consider the solicitor's handling of the legal claim and so, any concerns about this should be directed to the Legal Ombudsman.

I can, however, consider how UKI handled Miss J's claim and her concerns about the service it had provided. I've seen that when Miss J told UKI she was unhappy with the solicitor it forwarded her concerns to them – which is what I'd expect it to do in the first instance. Later, however, when Miss J told them she'd still not had an update from the solicitor and was unhappy with the service, I would have expected it to have been more proactive in obtaining an update – given its last request had been ignored. So, I agree with our Investigator that simply re-sending its previous email wasn't sufficient.

Miss J is unhappy the solicitor said her legal claim didn't enjoy prospects of success and so, the legal costs to pursue a claim against her contractor wouldn't be covered by UKI. It's important to explain that even if a legal expenses insurer agrees the claim is covered – in other words, that there is an insured peril – the acceptance of the claim is subject to the remaining terms and conditions of the policy being met.

A standard condition in LEI policies is that the legal claim must enjoy reasonable prospects of success throughout the claim. Put another way, the legal claim must have a greater than 51% chance of success. This was explained to Miss J in a letter from the solicitor which said: *"Your insurer will indemnify you to meet our costs as long as the terms of your legal expenses insurance policy are met. It is a term of this policy that your claim must have reasonable prospects of success i.e. prospects of 51% or more."*

So, whilst I can understand Miss J's disappointment, as UKI isn't a legal expert, I'm satisfied it was reasonable for it to rely on the solicitor's legal advice which said her claim didn't enjoy prospects of success to decline covering the claim.

I haven't seen evidence to show Miss J was told by UKI that she could challenge the solicitor's legal opinion by either providing new information for the solicitor to consider or by providing a legal assessment in her favour by a suitably qualified legal professional. This is something I would have expected UKI to do at the time the prospects assessment was given - so if Miss J can provide either of these, I'd expect UKI to consider this.

Overall, there were shortcomings with UKI's service, and it has acknowledged this by offering £100 compensation – which I consider to be reasonable in the circumstances. Miss J has said this doesn't cover the costs she's incurred in putting right the contractor's alleged faulty work, but that's not what the compensation is intended to do as UKI isn't responsible for the contractor's work. And the option of obtaining further legal opinion remains with her should she wish to challenge the claim decision.

My final decision

My final decision is that I uphold this complaint and direct service U K Insurance Limited trading as NatWest Insurance to pay Mr D and Miss J £100 compensation. It must pay the compensation within 28 days of the date on which we tell it Mr D and Miss J accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Miss J to accept or reject my decision before 22 March 2023.

Nicola Beakhust
Ombudsman