

The complaint

Ms R complains that errors by Thomas Carroll (Brokers) Ltd denied her the opportunity of seeing if she was covered for a legal expenses insurance claim.

What happened

In June 2022 Ms R renewed her home insurance through Thomas Carroll. Shortly before the policy was due for renewal, she was sent a renewal invitation. This gave a breakdown of the total cost for the insurance and showed that legal expenses cover would be included, at a cost of £30. But when the policy documents were sent to Ms R after she renewed the policy, the schedule didn't say legal expenses cover was included.

In July 2022 Ms R sought advice from a solicitor about a probate dispute. The solicitor advised her to check whether she had legal expenses cover. Ms R says she checked the policy schedule and this said she didn't have legal expenses cover. So she has paid the legal fees relating to the dispute herself.

When Ms R received the renewal documents in June 2023 she noticed they referred to legal expenses insurance. She contacted Thomas Carroll to ask whether she'd had legal expenses cover the previous year. Thomas Carroll confirmed that she had and said she should have been aware of this.

Ms R complained about the way Thomas Carroll had dealt with the renewal in 2022 and said its errors had prevented her from making a claim on her legal expenses insurance. Thomas Carroll didn't agree so she referred her complaint to this Service.

Our investigator said Ms R would have known she had paid for legal expenses cover and could have contacted Thomas Carroll to confirm this. She didn't think Thomas Carroll should have to cover all her legal costs, but did accept Ms R had been caused some inconvenience and recommended compensation of £100 for this. Thomas Carroll accepted the recommendation and agreed to pay the compensation but Ms R didn't agree. She has requested an ombudsman's 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.

When advising Ms R on her policy renewal, Thomas Carroll needed to provide appropriate information in good time to enable her to make an informed choice about what cover was needed and ensure the information provided was clear, fair and not misleading.

Some of the information wasn't clear. Thomas Carroll has said the legal expenses cover was placed with a different insurer from the home insurance cover because it offered better coverage. But the separate policy schedule and policy wording for the legal expenses cover weren't provided with the home insurance documents. And the policy schedule didn't include legal expenses cover.

However, the cover letter for the renewal set out the total premium payable and said £30 was for legal expenses. It also said if Ms R wanted to remove that cover, she should call. So this showed legal expenses cover was included, she was being charged for it and if she decided she didn't want it she needed to let them know.

Ms R paid the full price – including the cost of the legal expenses cover – and noted this on her copy of the letter. So I think she was aware she had paid for this. Her solicitor advised her to check if she had cover for the dispute. The policy schedule said legal expenses cover wasn't included. Bearing in mind she had been told it was included, and had paid for it to be included, she could have called Thomas Carroll to check.

Even where a firm has got something wrong, if the customer could do something to protect their position or mitigate any loss, it's reasonable to expect them to do so. Ms R says she checked the policy schedule. If that said something different from the other information – and particularly bearing in mind she'd paid for legal expenses cover – then she could have phoned to check. Ms R says she was denied the opportunity to determine if she had legal expenses cover but she did have the opportunity to check.

Even if she had legal expenses cover in place, that doesn't necessarily mean this particular claim would have been covered. All insurance includes terms and conditions that limit the cover provided. Thomas Carroll is a broker, not an insurer. It sold the policy but isn't responsible for claims. The insurer would need to consider the claim and assess whether it meets the requirements set out in the policy terms. A claim hasn't yet been made on the policy and I can't say whether it would be covered.

Ms R also says she's shocked the investigator didn't consider Thomas Carroll's actions to be wrong. Thomas Carroll did get some things wrong and did cause her some inconvenience. It's fair that she's compensated for this, but that doesn't mean Thomas Carroll is responsible for all of the costs relating to her legal dispute.

My final decision

I uphold the complaint and direct Thomas Carroll (Brokers) Ltd to pay compensation of £100 to Ms R for the inconvenience caused to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 28 November 2023.

Peter Whiteley
Ombudsman