

## **The complaint**

Miss O is unhappy Acromas Insurance Company Limited didn't agree to pay the costs of her own solicitors to pursue a personal injury claim.

## **What happened**

Miss O has motor insurance with Acromas which includes legal protection. In November 2022 Miss O was involved in a serious car accident and suffered injuries as a result. She claimed on her policy. I understand her motor claim was subsequently settled by Acromas. Her personal injury claim was initially considered by panel solicitors. However, a firm acting for Miss O subsequently contacted Acromas and asked it to cover their costs to represent her under the legal protection policy.

Acromas didn't agree to do that. It said cover had been provided through the panel firm and it was Miss O's decision to appoint her own solicitors. Miss O said under the relevant regulations she had the right to choose solicitors to act for her.

Our investigator didn't agree. She said our interpretation of the regulations was that, unless there was a conflict of interest (which wasn't the case here), a policyholder only had the right to choose their own representative from the point at which legal proceedings needed to be started. That wasn't the case in relation to Miss O's claim.

Miss O didn't agree. So I need to reach 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.

First, I understand Miss O's accident was an extremely traumatic experience for her and she's continuing to experience ongoing issues as a result of it. I was very sorry to learn about that and hope she makes progress with her recovery.

Turning to the complaint she's made, the relevant rules and industry guidelines say Acromas has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably. In this case Miss O's complaint relates to a personal injury claim which I understand she was initially seeking to progress under the 'Legal Protection' section of her policy. That does provide cover for *"The insured person's legal costs, up to £100,000, to help the insured person recover any uninsured losses or compensation for death or personal injury as a result of a motor accident involving your vehicle that is insured by this policy"*. However, the insurer of that policy is a different business to Acromas. And from the information I've seen it doesn't appear Miss O's claim was referred to it. Instead Acromas appears to have taken responsibility for making decisions in relation to it. I'm not clear why that was but I don't think Miss O has lost out because of that. Her key concern is she wasn't able to choose her own solicitors to progress this claim. But even if Acromas had referred the matter to the insurer of the 'Legal Protection' section of her policy I think it's unlikely there'd have been a different outcome to this issue.

I say that because, in relation to legal representation, her policy says *“if the insured person’s legal claim has reasonable prospects of success we will choose an appointed representative to act on the insured person’s behalf.”* It goes on to explain *“the insured person may choose another representative if there is a conflict of interest with a representative appointed by us, or there is an inquiry or legal proceedings are about to be commenced”*.

And the relevant regulations, the Insurance Companies (Legal Expenses Insurance) Regulations 1990, which Miss O has quoted in correspondence with us say *“where under a legal expenses insurance contract recourse is had to a lawyer (or other person having such qualifications as may be necessary) to defend, represent or serve the interests of the insured in any inquiry or proceedings, the insured shall be free to choose that lawyer (or other person)”*.

That’s unless the insurer’s panel solicitor has a conflict of interest which I haven’t seen any evidence to show is the case here. And our long standing interpretation of the regulations (which is line with the policy terms in this case) is that they give a policyholder the freedom to choose their own solicitor from the point at which legal proceedings need to be started. That would be from when attempts to resolve the matter without the need for court action have failed and the solicitors involved consider it necessary to issue formal action to progress the legal case.

I haven’t seen anything to show that applied to Miss O’s claim. From what she’s told us it appears her solicitors are in the process of obtaining medical reports. She didn’t think legal proceedings were currently necessary. So I think it was in line with the policy terms (and the relevant law) for Acromas to say Miss O didn’t have the right to choose her own solicitor. And I don’t think it acted unfairly in doing so given a panel solicitor had previously been appointed to consider the claim.

Given that I don’t think there are grounds to conclude a different decision would have been reached if the claim had been referred to the insurer of the ‘Legal Protection’ section of her policy. If Miss O’s claim progresses and it does become necessary to issue legal proceedings, she may wish to ask that insurer if it will agree to the appointment of her solicitors.

### **My final decision**

I’ve decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I’m required to ask Miss O to accept or reject my decision before 20 September 2024.

James Park  
**Ombudsman**