

The complaint

Mr R complains about the service he's received from UK Insurance Limited (UKI) when making a claim on his legal expenses insurance (LEI) policy.

Any reference to UKI, includes the actions of its agents.

What happened

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

Mr R has a LEI policy which is underwritten by UKI. In the course of its dealings with Mr R, UKI said it had decided to remove telephone communication with him, meaning all further communication about his existing claims would be via email or letter.

It said its decision was due to the nature of the concerns raised during telephone calls, and the complex history of Mr R's claim. It said limiting communication to letter or email, would keep communication as clear as possible for both parties.

Mr R disagreed with UKI's decision and complained. In its final response letter dated 10 January 2024, UKI maintained its decision to only correspond by email or letter.

Mr R referred the matter to this Service. An Investigator considered things and upheld it. She said UKI hadn't treated Mr R fairly and so, should remove any record it had about limiting its communication with Mr R to writing and email only. She also recommended UKI pay £400 compensation to recognise the difficulties Mr R had experienced as a result of UKI's decision to withdraw telephone communication.

UKI largely accepted the Investigator's findings but said it would prefer to find a mutually agreeable way forward in terms of how it communicated with Mr R, saying it couldn't accommodate unlimited phone contact.

Mr R asked for an Ombudsman's decision. He didn't consider the compensation to reasonably reflect the difficulties he'd experienced. Because the parties couldn't agree, the complaint has been passed to me for an Ombudsman's decision.

I issued a provisional decision, in which I said:

"What I've provisionally 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.

I've also kept in mind UKI's responsibilities as an insurer to handle claims promptly and fairly, together with the overarching principles set out in the Consumer Duty – which requires firms to provide customers with the support they need, when they need it. Having done so, I'm upholding this complaint.

Before I explain why, I want to acknowledge that a wealth of information has been provided in respect of this complaint. Whilst I've reviewed it all, I won't address every point. My intention isn't to be discourteous or curt but rather reflects the informal nature of this Service, and so, I've focussed on what I consider key to determining this complaint.

It's also important to make clear the scope of this complaint. I am only considering events up until UKI's final response letter dated 10 January 2024 and concerns which haven't been previously addressed and/or complained about. In this final response, UKI responded to Mr R's concern about telephone communication being removed. It also explained that if Mr R remained unhappy with a previous final response it had issued - he would need to follow the steps outlined in the earlier letter.

I'm aware Mr R had referred another complaint to this Service following UKI's final response letter dated, June 2023. An Investigator considered that complaint and didn't uphold it. That complaint has long since closed. So, I'm not addressing any concerns which formed part of that complaint. Nor am I considering the complaint points determined by an Ombudsman in April 2023, which relate to a separate matter.

So, for the avoidance of doubt, this decision is solely focussed on UKI's decision to withdraw telephone communication. Any new, current, complaints Mr R has with UKI do not fall within the scope of this decision.

Mr R's complaint is that he's unhappy UKI has limited contact with him – saying it's decision to remove telephone communication and only correspond with him about his existing claims in writing, was unfair. Mr R says doing so prejudiced his position and made the claims process more difficult than it needed to be.

Conversely, UKI considers its decision to remove telephone communication to be a proportionate response – saying the time its agents had spent talking to Mr R on the phone was unreasonable, particularly as the telephone calls weren't effective.

On the face of it, I agree UKI's decision to remove telephone communication was unfair. I can't see UKI gave Mr R the opportunity to reflect upon and change his approach to the calls – and so, understandably, it's decision to remove telephone communication without notice, was upsetting for him.

Nor does it seem an attempt to mediate the situation was put forward by UKI of perhaps continuing phone calls, but limiting how often these would happen, and for how long. Though I note UKI has since suggested this following our Investigator's view.

Simply removing phone contact without notice caused Mr R avoidable stress, and this was no doubt compounded when UKI didn't reply to his email communication in a timely manner. Arguably, by removing a means of contact, it became even more important for UKI to reply to emails within a reasonable period of time, but I can see Mr R was having to chase responses, having not heard back for a few weeks. When I consider this, I'm not persuaded UKI has demonstrated that it did, or was able to, provide the customer support Mr R required, when he needed it.

I recognise UKI has many other customers' needs it has to meet, and so, there will be times when it might be considered fair and reasonable for adjustments to be made with how it communicates with a consumer, so that it can continue to meet its other customers' needs.

I can see Mr R has sent a number of emails to UKI, and I agree these are detailed and lengthy and that this perhaps could make managing a claim more difficult. But I think it's difficult to conclude that's the case when UKI has restricted its contact with Mr R to email –

leaving him no choice but to send emails, and subsequent follow up emails when he didn't receive a reply within a reasonable time frame.

It's not for this Service to tell UKI how it should operate, but I can comment on whether it has treated Mr R fairly. I don't think it has here due to its unilateral decision to remove telephone contact without giving Mr R notice of this. But I also take on board what UKI has told this Service about the hours spent on calls, and the impact this has on its resources, and in light of this, I'm persuaded that a different approach is needed.

Following the Investigator's view, UKI said it would be agreeable to having up to two weekly telephone calls with Mr R – for a maximum duration of 30 minutes each. It said it would provide a designated claim handler as well, which would make the calls more effective and efficient. I'm satisfied this arrangement would provide Mr R the customer support he needs, when he needs it, whilst enabling UKI to meet the needs of other customers. So, it should put this arrangement in place.

I'd add that it would remain at UKI's discretion to review and if necessary, alter how it communicates with Mr R, should there be a change in circumstances. Though it should keep in mind that any decision to do so must be fair and reasonable.

As I've explained above, I'm not satisfied the service UKI provided Mr R was fair and reasonable. The decision to remove telephone communication, the delays in responding to emails and poor communication have caused him avoidable distress. When I consider the impact of this on Mr R, I'm satisfied £400 compensation is both fair and reasonable in the circumstances and in line with awards this Service makes.

My provisional decision

My provisional decision is I uphold this complaint and direct U K Insurance Limited to:

- Pay Mr R £400 compensation.*
- Reinstate telephone communication in line with the arrangement set out above."*

UKI responded to say it accepted my provisional findings. In summary, Mr R disagreed saying limiting telephone contact to two, 30-minute calls a week made things much worse for him. He said he hadn't done anything wrong, and that any restriction was a form of bias. Mr R says he's a victim. He said he didn't want to be on the phone for a long time but was forced to owing to what he considers to be negligence on UKI's part in handling his claim. Mr R also said he wanted any reference to him being "banned" from telephone communication to be removed from UKI's system.

He also asked for clarification as to the scope of the complaint, saying concerns he'd mentioned to the Investigator hadn't been included in my decision. He said there were ongoing matters, and the relationship between him and UKI had deteriorated further.

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'm not departing from my provisional findings. Before I explain why, I'll address Mr R's concerns about the scope of this complaint.

For the avoidance of doubt, Mr R's concerns about how UKI dealt with his subject access

request, together with his upset about the language allegedly used - he says UKI's system note referred to him as being "banned" from telephone communication - are not within the scope of this complaint. These events did not form and/or occurred after UKI's January 2023 final response. So, Mr R needs to complain to UKI about these matters before this Service can become involved.

Similarly, in August 2024, Mr R told this Service he'd received an unfavourable outcome from the Legal Ombudsman. He says the outcome was due to UKI's handling of his claim. Mr R acknowledges this event happened *after* the final response letter. And so, isn't something I can consider as part of this complaint.

It's worth making clear that when a consumer brings a complaint to this Service, the scope of it cannot be continually expanded. Nor can we revisit complaints about events which have already been considered by this Service. We also don't have a free hand to consider every complaint that is brought to us, particularly when a business hasn't issued a complaint response or had sufficient opportunity to respond.

So, it remains that I am only considering whether UKI's decision to withdraw telephone communication at the time of its decision in May 2023 was fair and reasonable.

UKI has a duty to provide appropriate level of services so that consumers can get the best use of their product(s). In practice, this means it should avoid putting unnecessary barriers in place which prevent that.

I agree with Mr R that UKI could have been clearer when explaining why it had made its decision to withdraw telephone communication in May 2023. It has said the frequency and duration of calls was a determining factor. But in its letter to Mr R, UKI said the complex nature of his claim was a reason. I can see why Mr R thought the latter justification was unreasonable.

UKI has clarified its decision was because of the disproportionate amount of time its staff were having to spend on telephone calls with Mr R. From looking at the call log I've been provided, in the weeks preceding its decision there'd been two particularly lengthy calls with Mr R which lasted between 1 hour and 20 minutes, and 1 hour and 50 minutes respectively. So, on its face, I'm not persuaded UKI's desire to amend how it was communicating with Mr R was unreasonable, but how it went about it, and the measure it put in place (to withdraw telephone communication entirely) wasn't fair.

UKI has now put forward a structured approach for telephone communication with Mr R. Mr R hasn't provided persuasive evidence explaining why this arrangement won't meet his needs. He's also acknowledged that he doesn't need this level of contact now the claim is at an end.

I note Mr R was aggrieved that when he'd called UKI previously, he'd been speaking to different advisors each time, and this frustrated him because he was having to repeat things. But the arrangement put forward by UKI would resolve this issue as he'd be given a designated point of contact. So, I'm satisfied the arrangement would enable Mr R to get the best use of his product, should he need to in the future, whilst enabling UKI to meet its other customers' needs.

Compensation

The £400 compensation is to recognise the upset Mr R experienced as a result of UKI withdrawing telephone communication in the way that it did, together with the inconvenience he was caused by UKI not responding to written correspondence in a timely manner. This

compensation is for the period between UKI withdrawing telephone communication and the date of its final response letter dated 10 January 2024.

I'm not going to comment on the upset Mr R says he experienced as a result of UKI allegedly adding the word "banned" to its system notes. Nor will I address the impact he says this has had on him and his family. These are new complaint points. But as I'm directing UKI to reinstate telephone communication – in the structure outlined - I would expect its records to accurately reflect this.

My final decision

My final decision is I uphold this complaint, and direct U K Insurance Limited to:

- Pay Mr R £400 compensation. UKI must pay Mr R the compensation within 28 days of the date on which we tell it Mr R accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.
- Reinstate telephone communication in line with that set out in my provisional decision. And update its system notes to reflect this change in communication.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 26 December 2024.

Nicola Beakhust
Ombudsman