

The complaint

Mrs L's complaint is about the service provided by an insurance broker, GSI Insurance Services (Southern) Limited.

Mrs L is represented in this complaint by her son, Mr L.

What happened

GSI is an insurance broker. In 2021, GSI sold Mrs L an annual home insurance policy, which included free legal expenses cover. However, GSI also sold Mrs L a stand-alone legal expenses policy at the same time. Each legal expenses cover was underwritten by a different insurer. Both legal expenses policies included cover for Mrs L's family.

In June 2023, Mrs L's son contacted GSI as he wanted to make a legal expenses insurance claim regarding an injury at work in 2021. GSI says it passed Mr L through to the insurer of the legal expenses cover provided with the household policy. GSI says this was in line with its usual practice in such circumstances: it would either transfer a customer to the insurer or advise the customer to report the claim themselves direct to the insurer. GSI says it does not report claims itself.

GSI says Mr L called it a few times over the next week or so and on each occasion he was either provided with information he requested, or again passed through to the insurer.

In July 2024, Mr L contacted GSI again about another legal expenses claim. GSI says it passed Mr L through to the legal expenses insurer but this time it transferred him to the insurer of the standalone policy. GSI says Mr L had told it that he had already spoken to this insurer and/or their agents before contacting GSI. There were again further calls from Mr L to GSI after this and it says he was always passed on to the insurer's agent.

Mr L's claims were declined.

Mr L complained to GSI as he was unhappy with the insurers' responses. I can see that there was confusion initially, and Mr L was not clear who he needed to talk. GSI offered to talk to the insurer. It was shortly after this that it was realised that there were two policies and one was unnecessary. Mr L said the existences of the two policies had caused significant difficulties and prejudiced his chances of successfully claiming under either policy.

GSI refunded the premium paid for the stand-alone policy (*i.e.* £14.95) and paid Mrs L £50 compensation for the trouble this had caused. However, GSI does not agree that this or any other action on its part, resulted in *"delays processing claims, hindered the client's ability to make use of the cover, or prejudiced the client's attempt to claim"*.

GSI says both insurers cited several reasons the claims were not covered and this was a matter for the insurers and not GSI, which has no influence on whether a claim is accepted or not.

Mr L was not happy with GSI's response to his complaint, so referred the matter to us.

One of our Investigators looked into the matter. He did not recommend the complaint be upheld. He thought the confusion about the two policies had caused frustration and inconvenience but had not impacted the consideration by the insurers of Mr L's claims. He therefore considered the refund of the premium was fair and reasonable and did not think GSI needs to do anything more.

The Investigator also said that although Mr L is a beneficiary of the policy, we can only award compensation for the mis-sale of the policy to Mrs L.

Mr L does not accept the Investigator's assessment. He has made a number of points in support of the initial complaint and in response to the Investigator. I have considered everything he has said but have summarised his main points below:

- The presence of two overlapping legal expense policies created significant confusion for Mr L and his mother.
- This lack of clarity resulted in delays in processing claims and hindered their ability to make effective use of the available cover.
- The compensation provided does not adequately reflect the inconvenience and complications this caused.
- Mr L has undertaken the role as Mrs L's representative necessitated by GSI's failures and the impact on his time and stress should be recognised when assessing appropriate compensation.
- He has also suffered denial-of-service attacks and technical barriers to proceeding with his claims and I should consider this external interference, which has added to the challenges he has had in progressing his claims.

As the Investigator was unable to resolve the complaint, it has been passed to me.

For the sake of clarity, this decision can only address the actions of GSI as the broker that sold the policies. Any complaint about the insurers or any other party will have to be considered separately.

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.

It is not in dispute that GSI should not have sold Mrs L the second, stand-alone legal expenses insurance policy to Mrs L, when she already had legal expenses cover provided with the household policy. The dispute is about the impact, if any, this has had.

Where a policy should not have been sold, we would expect the premium to be refunded. I am pleased to note that GSI has already done this.

Mr L says the confusion about the two different policies also caused significant difficulties when he tried to make claims and was a significant part in the claims being rejected by the insurers. GSI says it simply passes claims on and any delay or confusion about which insurer did not impact the handling of the actual claims.

I have listened to the calls provided. On each occasion Mr L was passed to an insurer and was able to proceed with his claims.

Having considered everything provided to me carefully, I do not consider that there is evidence to support that the mis-sale of the second policy, impacted the outcome of any claims, which were assessed by the insurers against their terms and conditions. Anything

done, or not done, by GSI would not impact how the insurers consider and handle claims made under the policies. There is also no evidence that any undue delay was caused as a result of the two policies and even if there were there is no convincing evidence that any such delay impacted the outcome of the claims.

Mr L also says GSI failed to give effective support during this period but I have not seen any evidence that it failed to act reasonably. It correctly passed him on to the insurers and offered to assist where appropriate. It was not obliged to submit claims on his behalf or do anything more.

I am not therefore persuaded that GSI's error led to any impact on the claims themselves. I do however accept that some trouble was caused to Mrs L and her son as a result of the mis-sale. While I note that Mr L has spent considerable time pursuing this matter as his mother's representative, we do not ordinarily compensate consumers for the time and effort put into pursuing a complaint.

Having considered everything carefully, I agree with the Investigator that the £50 already offered and paid to Mrs L by GSI is reasonable compensation for the impact of the mis-sale of the second policy.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 11 February 2025.

Harriet McCarthy
Ombudsman