

## The complaint

Mr R's complaint is about the handling of a claim under his motor legal protection policy with Admiral Insurance (Gibraltar) Limited.

Admiral is the underwriter of this policy, *i.e.* the insurer. Part of this complaint concerns the actions of the agents it uses to deal with claims and complaints on its behalf. As Admiral has accepted it is accountable for the actions of the agent, in my decision, any reference to Admiral includes the actions of the agents.

## What happened

In January 2024, Mr R made a claim under his motor legal protection policy as he wanted cover for a dispute with a car dealer about the purchase of a new car.

Admiral's claims-handling agents passed the claim to one of its panel of pre-approved solicitors to assess. The panel solicitors assessed that the claim Mr R wanted to bring had reasonable prospects of success and they were appointed to act for him.

However, Mr R was not happy with the handling of the claim and the time taken to confirm cover for his claim. Mr R says the involvement of the claims-handling agents meant the legal assessment took longer than expected and there was slow progress of the matter due to "*poor logistical planning and resource*". Mr R also complains about Admiral's automated phone system and that its representative was not helpful.

Admiral says the claim was promptly passed to panel solicitors to assess and it chased them up when Mr R asked for an update in early February 2024. Admiral also says it agreed to cover within a reasonable time after the solicitors had assessed the claim as having merit and there were no undue delays in the progression of his claim.

Mr R did not accept Admiral's response and referred the matter to us. He is also unhappy that the claims-handling agents issued the final response to his complaint; he says that he made a contract with Admiral and it should investigate his concerns properly and take responsibility. Mr R also says the matter has been stressful and made worse by Admiral and its agents handling of the matter and no one within Admiral seems to understand the matter.

One of our Investigators looked into the matter. She explained we could not consider the handling of the complaint itself but could consider the complaint about the handling of the claim. However, the Investigator did not recommend the complaint about the handling of the claim be upheld, as she was satisfied that Admiral had progressed the claim fairly and reasonably and had not caused any undue delays. The Investigator also explained that Admiral is required to use agents to deal with legal expenses insurance part of its business.

Mr R does not accept the Investigator's assessment. He says:

- The arrangements for the legal expenses cover and who Admiral appoints to manage claims was never conveyed to him, as he was never supplied with any such terms and conditions.

- He only ever raised a complaint about Admiral and not the agents directly. Admiral has tried to fob him off by blaming the agents but it is Admiral that should supervise and check that the agents are delivering a satisfactory service. He was concerned about poor public feedback for the agents.
- Even in response to the complaint, Admiral mentioned another entity that he has never heard of before.
- His insurance contract is with Admiral and it is responsible for the poor service he received and it should answer his complaint.
- He had no choice as to who represented him and Admiral did not allow him to raise a formal complaint and ignored his complaint.
- There was a conflict of interest in his case, as he was provided with a “*poorly rated legal service contractor*”.
- This has been proven, as his case ended “*catastrophically*”.
- Admiral failed to comply with its own written procedures for complaint-handling and if we cannot comment on this then he sees no reason for our existence.
- He has spent significant time on this matter.
- The Investigator said he had not asked for his own legal representative before but this was the initial reason for raising a complaint with Admiral. He says he was never given any opportunity to question the choice of solicitor supplied to him.

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

### **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.

Admiral provides the legal expenses cover, it is the insurance underwriter backing the policy. However, it uses agents to deal with legal expenses insurance claims on its behalf. The policy document does explain this.

The first part of the motor legal expenses booklet which sets out details “*about your motor legal protection*” says:

*“Providers and suppliers ...  
The policy is administered by ... [the agents]...  
The policy is underwritten by Admiral Insurance (Gibraltar) Limited”.*

I note Mr R has recently said he was not sent these terms but this was not raised in the initial complaint, so I cannot consider it in the context of this decision.

But in any event, Admiral is required by statute to separate its legal expenses business from its other liabilities by doing this.<sup>1</sup> I don't therefore consider that Admiral has done anything wrong in appointing agents to deal with legal expenses insurance claims on its behalf. I also do not think Mr R was misled about this when he took out the policy. As stated, the arrangement is set out in the policy sufficiently clearly in my opinion and the arrangement is a statutory requirement.

Mr R also says this arrangement created a conflict of interest because the agents have not provided the service he expected. I do not agree. Not being happy with the claims-handling agents is not a conflict of interest. That concept covers true conflicts where the representatives might be regarded as ‘*professionally embarrassed*’, e.g. because they

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<sup>1</sup> Section 5 of The Insurance Companies (Legal Expenses Insurance) Regulations 1990

previously acted for the assured's opponent or because they have a vested interest in the subject-matter of the legal dispute, etc.

The claims-handling agents are acting on behalf of Admiral and it is responsible for anything they do.

Most legal expenses insurance policies work in the same way, with insurers having a panel of pre-approved solicitors. The insurers will usually have pay agreements with these pre-approved solicitor firms, which is aimed to make this more cost effective and they will have been audited and checked for their suitability to deal with certain legal issues.

We expect legal expenses insurers, and their claims-handling agents, to take care to appoint solicitors that are suitably qualified and experienced to deal with the legal case in question, however, it has no duty to oversee how they run the case and it isn't responsible for any action or omission on the solicitor's part. Solicitors are independent professionals, subject to their own regulation. This is the case whether the solicitor is on the insurer's panel of preferred solicitors or not. Panel solicitors will have some agreements in place with insurers but it does not change that their primary duties are to the courts and their clients (in this case Mr R).

In addition, this service has no jurisdiction over solicitors. I have no power therefore to make any finding about any complaint Mr R has about how long the solicitors took to assess the claim or deal with the case. Mr R would need to raise any issues he has about the quality of their legal representation and the service they provided, directly with the panel firm and thereafter the Legal Ombudsman.

Mr R submitted the claim online on 15 January 2024. On 19 January 2024 the claims-handlers asked for some more information and a few days later passed it on to the panel solicitors for assessment. The panel solicitors provided a detailed assessment of the case and confirmed the case had reasonable prospects of succeeding in an email dated 20 February 2024. Admiral then confirmed cover for them to proceed with the claim.

When Mr R raised his concerns about the time being taken to assess the case for prospects, Admiral asked the solicitors for an update. I think this was reasonable. Admiral checked it was being progressed and there was nothing more it can reasonably have been expected to do at that stage.

Having considered everything carefully, I do not think there was any undue delay in Admiral progressing the claim.

Mr R says he was given no choice about the solicitors. I have not seen any evidence that Mr R asked to use his own solicitors. However, I would explain that the panel solicitors were initially appointed to assess if there was a valid claim under the policy. Admiral would not have been obliged to pay any other solicitor for an opinion at that stage. Once they confirmed there was a valid claim, as the legal claim had reasonable prospects of success, Mr R was asked by Admiral on 20 February 2024 if he was happy with the panel solicitors continuing to act under the policy and he confirmed he was. Admiral confirmed the solicitors were authorised to act under the policy on the same day.

The solicitors sent a letter of claim to the dealer in late March 2024 but there have been some concerns about the respondent becoming insolvent. I can see that as of mid-April 2024 the solicitors said there were still reasonable prospects of the claim succeeding and advised. But the seller of Mr R's vehicle was still active. They advised that they should obtain a barrister's opinion on the next appropriate steps. I can also see that Admiral was agreeable to that proposal.

Having considered everything carefully, I do not think that Admiral did anything wrong in the handling of the claim up to the time of its final response letter on this complaint (*i.e.* 19 April 2024). Mr R is unhappy with the outcome of the legal claim since then but I cannot consider events since then in this decision.

### Complaint-handling

Mr R says that Admiral has not complied with its own complaints-handling procedures. However, as the Investigator has explained complaint-handling is not a regulated activity in its own right and so I cannot consider the way Admiral dealt with the complaint. This means I cannot consider the error of referring to another legal expenses claims-handling agents not relevant to his case. However, having said that I will address Mr R's concerns about the claims-handlers responding to his complaint.

Mr R says Admiral should have responded to the complaint as it is not appropriate for the agents to respond, given it is the agents he has complained about.

It is usual with any complaint about a financial business that the complaint is addressed initially to the entity complained about for their response and thereafter a party would have the right to bring their complaint to us if they remain dissatisfied. Admiral is responsible for the complaint and it has responded, via its agents, who as well as handling claims on its behalf also handle complaints about the handling of any legal expense claims. So I am satisfied that Admiral has responded to the complaint and has taken responsibility for it.

Mr R also says that Admiral's automated telephone system is not for purpose. I can understand how frustrating these systems can be. However, there is no automatic right to compensation for such matters and I have no power to require an insurer to change their processes or business model. From the evidence provided, Mr R claim was not impacted by any issues getting through to Admiral or the agents.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 February 2025.

Harriet McCarthy  
**Ombudsman**