

The complaint

Ms B and Mr R are unhappy with the way U K Insurance Limited (“UKI”) dealt with a claim made by Mr R on their legal expenses insurance policy.

Ms B and Mr R are joint policyholders but as all submissions have been made by Mr R, for ease I’ll refer to him in this decision.

What happened

Mr R made a previous complaint that UKI’s terms of appointment for solicitors removed his freedom to choose his own solicitors to represent him under the legal expenses policy.

Another ombudsman issued a final decision on that complaint. He said:

- While UKI did limit the amount of costs that would be paid, that was reasonable and in line with relevant law, and didn’t render the choice of solicitors meaningless.
- But Mr R had obtained further evidence and was seeking to gather more, which UKI hadn’t had an opportunity to review. So that would need be considered by UKI as a fresh complaint.

Mr R provided copies of correspondence with solicitors he had contacted, which he said showed they were unable to act for him due to the restrictions in the terms of appointment UKI considered this but didn’t change its position. UKI said the further correspondence didn’t show the terms of appointment were the reason the solicitors were unable to act.

When Mr R referred this complaint to this Service, our investigator explained that she couldn’t reconsider the issues that had been addressed in the previous ombudsman’s decision. She had reviewed the further correspondence but didn’t think it showed UKI’s terms of appointment rendered his freedom of choice meaningless.

Mr R provided further comments but the investigator didn’t change her view. So I need to make a 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 considering this complaint, I’ve taken into account the relevant rules and industry guidelines, which say UKI has a responsibility to handle claims promptly and fairly, should support a consumer to make a claim and should not reject a claim unreasonably.

Mr R has said our investigator had only referred to one piece of caselaw and not taken account of all the other information he had provided about relevant law and regulations. In the previous decision, the ombudsman considered the policy terms and UKI’s terms of appointment for solicitors, together with relevant law, including case law. That was all considered in the previous decision, which set out our approach.

As a final decision was made on that complaint, I'm not able to revisit the issues that were determined in that decision. I'm simply considering whether the further evidence Mr R provided shows he was unable to find a solicitor due to UKI's terms of appointment.

Having considered the further evidence I don't think it does, for the following reasons:

- Mr R provided correspondence from two firms of solicitors.
- The correspondence with the first firm of solicitors shows they explained that they couldn't act because of a conflict of interest between them and Mr R; they didn't refer to the terms of appointment as a reason why they couldn't act for him.
- The second firm didn't object to the terms of appointment, but said their rates were higher than the guideline rates, so he would need to pay the difference. They didn't refer to other issues with the terms of appointment or say these meant they couldn't act.
- Neither of the firms contacted UKI to discuss the terms of appointment. This is not a situation where the solicitors had contacted UKI saying there were issues with the terms, it wasn't possible to overcome those issues with UKI, and that was the reason they couldn't act.

In the circumstances I don't think Mr R has shown that he was prevented from choosing solicitors to represent him as a result of UKI's terms of appointment.

My final decision

My decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B and Mr R to accept or reject my decision before 10 March 2025.

Peter Whiteley
Ombudsman