

The complaint

Mr A is unhappy with what Advantage Insurance Company Limited did after he contacted it about a claim he made on his motor legal expenses insurance.

What happened

Mr A has motor insurance with Advantage which includes motor legal expense cover (provided by a different insurer). In January 2024 he contacted Advantage as he was unhappy with the service being provided by solicitors dealing with a legal expenses claim. Advantage issued a final response and said it had asked the solicitors to make urgent contact with him. It also said it would pay compensation *“to say sorry for the distress caused”*. Mr A was unhappy with the steps Advantage had taken and asked for a new solicitor to be appointed.

Advantage said it would look further into points he'd raised. Mr A contacted it again the following month and said he was unhappy promised call backs hadn't taken place and he'd been emailed without calls having been made first. And he was unhappy with what Advantage had done to make sure the solicitors progressed his legal expenses claim. I understand those solicitors have made a settlement offer in relation to their actions.

In response to the complaint Mr A made to us about its actions Advantage said this wasn't something we could consider. It wasn't responsible for the actions of the solicitors and the other points Mr A raised related to complaint handling which wasn't something we could investigate. I issued a decision explaining that the complaint Mr A was making was about steps he felt Advantage should have taken to progress his legal claim and the customer service it provided following his contact about that. And those actions (or inactions) were at least ancillary to regulated activities it was carrying out in relation to his contract of insurance with it.

Our investigator considered the merits of the complaint and upheld it. She thought there had been a delay of around five weeks by Advantage in responding to concerns Mr A raised. And other emails and calls hadn't been replied to. Advantage hadn't explained to him it wasn't the insurer of his legal expenses policy or told him who he needed to contact to get assistance with his claim. She thought all of that had caused Mr A avoidable distress and inconvenience. She thought it should pay him a total of £400 to recognise the impact of that on him (an increase of £250 on the amount it had already paid).

Advantage didn't agree. It said it had responded to Mr A's complaint within the correct timeframe and emails and communications related to his complaint and not claims handling which wasn't within our jurisdiction. And it thought it had kept Mr A informed and taken steps to ensure his complaint was progressed by the solicitors firm dealing with his legal expenses claim. It didn't agree further compensation should be paid. 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, while Advantage is the insurer of Mr A's motor insurance policy it isn't the insurer of his separate legal expenses cover. It's therefore unclear why it decided to take action in response to the questions Mr A raised about what the solicitors acting under his legal expenses insurance were doing. In my view it should have referred him to the insurer of that policy (or their claims handlers) given they were best placed to assist with the issues he was having. However, having decided to intervene in the issues Mr A raised I think there was a responsibility on Advantage to ensure it did so reasonably and promptly.

Advantage has said the issues Mr A has raised relate to complaint and not claims handling. It's disappointing Advantage has raised this again given I addressed that in my previous jurisdiction decision. I explained there that, although Advantage issued a final response following Mr A's contact with it in January 2024, it didn't appear he'd expressed any dissatisfaction with its actions at that point.

In any event Mr A then had further contact with Advantage and was clearly unhappy with the actions it then took. He felt it should have done more to ensure his legal claim progressed and was unhappy with the time taken for it to respond to him and with the way in which it did so (including sending emails without speaking to him first). And he said different solicitors should be appointed to handle his claim.

My view remains those aren't concerns about the way his complaint was handled in isolation; they relate to actions Mr A feels Advantage should have taken to progress his legal claim and the customer service it provided following his contact about that. I would also add that Advantage are in any event incorrect to say complaint handling isn't within our jurisdiction. It isn't a regulated activity so we can't consider it in isolation. But we can consider it where it's 'ancillary' to an activity we can consider.

Turning to the concerns Mr A has raised about what Advantage did here I think it did initially try to assist him with the points he was raising and went further than it needed to in contacting the panel solicitors who were dealing with his claim (as I've already said I think it could reasonably have asked the insurer which was responsible for this to deal with his concerns). But following that Mr A raised further points about what was happening which Advantage confirmed it would look into. However, he didn't receive any response for over a month (and Mr A says he made numerous calls to Advantage during that period).

I'm satisfied that there were failings by Advantage in dealing with the issues Mr A raised. It should have referred these to the insurer of his legal expenses policy but having decided to deal with them itself it then failed to respond to contact from Mr A about what was happening over a long period. I don't think that impacted the progress of his legal claim (because Advantage had made contact with the panel solicitors) but I think it will have been frustrating for Mr A and will have caused him avoidable inconvenience at a time when he was already very worried about correspondence from the solicitors firm threatening legal action against him for unpaid fees.

Our investigator thought Advantage should pay Mr A £400 in recognition of the impact on him of what it got wrong (an increase of £250 on the offer it had already made). Advantage said it didn't think the communication with Mr A which led to that award was within our jurisdiction. I've already explained why I don't agree with it about that. And Advantage hasn't argued the figure doesn't accurately reflect the distress and inconvenience Mr A was caused as a result of what it got wrong. Given that I don't see any reason to direct a different amount be paid.

My final decision

I've decided to uphold this complaint. Advantage Insurance Company Limited will need to pay Mr A £400 (including the £150 it's already offered). Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 April 2025.

James Park
Ombudsman