

The complaint

Mr G is unhappy with what Accredited Insurance (Europe) Ltd did after he made a claim on his legal expenses insurance policy.

What happened

Mr G had an employment dispute and contacted Accredited in May 2024 seeking assistance from his legal expenses insurance. Accredited asked one of its panel solicitors to assess whether the claim had reasonable prospects of success (a requirement of the policy). In June the panel firm said they didn't think that was the case. Accredited said it wouldn't be providing funding for the claim. However, if Mr G was able to obtain a positive legal assessment of the claim's prospects it would ask the panel firm to consider that.

Our investigator thought it was reasonable of Accredited to rely on the assessment carried out by the panel firm. And he didn't think it had done anything wrong in saying if Mr G obtained his own assessment it would ask the panel firm to consider that, given their knowledge of the case. Any concerns Mr G had about actions Accredited had taken after it issued its final response in October 2024 would need to be considered as part of a separate complaint (it appeared Mr G had now obtained his own assessment and that was being reviewed by an independent barrister).

Mr G didn't agree. He thought it had taken too long for the panel firm to provide its view on prospects and he didn't think it had properly considered the supplied evidence. And the positive opinion he'd subsequently obtained showed that assessment was wrong. He didn't think it was reasonable he now needed to make a further complaint in order for other matters to be considered. 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.

The relevant rules and industry guidelines say Accredited has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably.

I've looked first at the terms and conditions of Mrs S's policy. That says funding for a legal expenses claim won't be provided if "*there is less than a 51% chance of your claim being successful*". But as an insurer isn't a legal expert we don't think it's in a position to carry out that assessment and it should be carried out by a suitably qualified lawyer who has relevant experience.

Where that has been done we think it's reasonable for an insurer to rely on a properly written and reasoned legal opinion when deciding whether a claim has prospects of success or not. In this case Accredited did refer the matter to one of its panel firms for assessment. I can see that was carried out by a qualified lawyer whose area of practice includes Employment Tribunal claims.

I've read the assessment and I think it is properly written and reasoned; it specifically addresses the claims made by Mr G and gives reasons for why they are unlikely to succeed. It also references relevant evidence provided by Mr G. I appreciate he disagrees with that assessment (and has subsequently provided a positive assessment of his own). But I don't think there was any reason why Accredited shouldn't have relied on it.

I also think it was right Accredited advised Mr G it would reconsider matters if he was able to obtain a supportive legal opinion of his own. I recognise he's unhappy it said that would then be referred back to the panel firm but I don't think that would be unreasonable in the first instance. If the panel firm didn't change its position then our normal approach would be that a barrister's opinion should be sought on the claim's prospects in order to bring finality to the matter (which appears to be what Accredited did after receiving the supportive solicitor's opinion Mr G subsequently provided it with).

Mr G says it took too long for the panel firm to produce their prospects assessment. However, the actions of the panel firm when acting in their legal capacity aren't something we can consider. That's because we can only consider the covered activities set out in our rules (the Dispute Resolution Rules or DISP). Those activities include regulated activities. "Carrying out a contract of insurance" is a regulated activity. That's why we can consider what Accredited did here. But when acting in its legal capacity the panel firm aren't carrying out a regulated activity (and their actions aren't covered by any of the other activities we can consider). So concerns about the actions of the panel firm including the legal advice it provided or the time it took to produce that aren't something I can consider

I have thought about whether there's any further action Accredited should have taken to follow up on progress with that assessment. I don't think there was. I understand the assessment was produced within around two weeks of it being confirmed cover was potentially available for the claim Mr G was making. I don't think that timescale was unreasonable and I don't think there was more Accredited should have done to chase progress with this. I can also see it responded promptly to queries Mr G raised about this.

Mr G is unhappy our investigator said his concerns about what Accredited did after it issued its final response to his complaint would need to be considered separately. However, while I understand the points Mr G has made about the impact of that on his underlying legal claim, that is the correct approach. Our rules say we can't consider a complaint unless a financial business has had the opportunity to consider it or more than eight weeks have elapsed since those concerns were raised with it. So any issues Mr G has about what Accredited did following the final response it issued to this complaint are something it would need to have had a chance to respond to before we could look into them.

My final decision

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 6 May 2025.

James Park
Ombudsman