

The complaint

Mr S is unhappy with what One Insurance Limited did after he sought assistance from a legal insurance policy taken out alongside his motor insurance.

What happened

In January 2023 Mr S took out motor insurance with One Insurance. Alongside that he took out “*Basic hire and legal cover*” which his policy schedule says was at no extra cost. In May 2023 Mr S was involved in an accident and claimed on his motor insurance policy. The following month Mr S said he wanted to pursue a personal injury claim. One Insurance says it passed information about that to a firm of approved solicitors. That firm said it would act for Mr S if he agreed to its terms including taking out a ‘Conditional Fee Agreement’. Mr S thought the terms were unreasonable and didn’t do that. He complained the legal cover he’d taken out hadn’t covered his claim. And he’d incurred legal costs pursuing that himself.

Our investigator thought the legal cover had been presented in a misleading way in the information One Insurance was responsible for. But he didn’t think it should cover the legal costs Mr S incurred. The evidence he’d provided didn’t include a legal opinion showing his case had reasonable prospects of success (which would have been a requirement for cover to be provided). And One Insurance said (having reviewed video footage of the incident) it didn’t think the third party was at fault. So it didn’t have grounds to challenge liability. Our investigator didn’t think cover would have been available for Mr S’s claim even if he’d taken out an alternative policy. However, he thought One Insurance had caused him some avoidable distress and inconvenience for which it should pay him £300.

One Insurance agreed to do so. Mr S didn’t agree. He said the policy had been mis-sold to him and didn’t even provide the basic legal advice which it should have covered him for. And One Insurance had submitted wrong information to other parties in the court proceedings. He also said it had unlawfully disclosed his personal information to the approved solicitors. He didn’t accept the video evidence showed he was liable for the accident and if it had been made clear to him what this policy covered he would have taken out one that covered him for the claim he subsequently made.

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 One Insurance has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably.

The policy terms say *"This cover is underwritten by One Insurance Limited and is not a legal expenses policy"*. And the relevant cover it provides is *"access to a telephone helpline to discuss...personal injury compensation"*. It goes on to explain:

"After speaking to our UK-based 24-hour helpline..., we can work out whether you have a personal injury case or other legal dispute that our specialist solicitors can give advice on. If we refer you to our panel or solicitors, they will talk about the case with you and give you relevant initial advice on making a claim. If they think your prospects of success are reasonable (more likely to be successful in a court of law than not) and the claim is not excluded, then the solicitor may offer to act for you in pursuing your claim against the third party. The solicitor will, at this time, tell you about their appointment terms and conditions".

So this isn't a policy which provides cover for the costs of pursuing a legal expenses claim; it simply provides a telephone helpline which will provide initial advice and the services of a solicitor to pursue a claim subject to their own terms and conditions. And given Mr S was clear in his contact with One Insurance he wanted to pursue a personal injury claim I don't think it was unreasonable it asked its approved solicitors to contact him about that.

I appreciate Mr S thought the policy would cover his legal costs but that isn't something it does provide. He's says that means it was mis-sold to him. However, that complaint was considered by the seller of the policy (a different though related business to One Insurance). And it issued a final response to it in July 2023. We've previously explained to Mr S that, as he contacted us more than six months after that response was sent, this isn't a complaint we can consider. So that isn't an issue I'm considering in this final decision.

However, although the seller of the policy was responsible for providing information about the cover it provided One Insurance was responsible for producing that information. And the relevant rules say it must take reasonable steps to provide information in a way that is clear, fair and not misleading. I've considered whether it was.

The Insurance Product Information Document (IPID) is headed *"Basic Legal and Hire Vehicle"* and says *"This is cover provided by One Insurance Limited and is not a legal expenses policy. Our Personal Injury Assistance Service will help you to ensure that if you are injured as a result of an accident at home, in a public place or at work, where the negligence of a third party was the sole or contributing factor towards your injury or loss, you will have access to our specialist solicitors who are ready and waiting to advise you about your legal rights"*.

There's no suggestion the policy would cover Mr S's legal costs and the IPID explicitly says this isn't a legal expenses policy. In fact Mr S says it was different information presented to him at the point of sale that led him to believe the policy offered wider coverage than it did. But that's an issue which would be the responsibility of the seller of the policy. I've already explained why that isn't something I'm able to consider. I think the information One Insurance was responsible for producing would have made clear to Mr S the limited scope of legal cover offered by this policy.

Even if I'm wrong about that, I'm not satisfied Mr S has lost out as a result. If he'd known what cover this policy provided and that had led him to take out an alternative (which it's not clear he would have) then for his costs to be paid any claim he sought to pursue would need to have had reasonable prospects of success. Our investigator asked Mr S for evidence in support of that. And while he's provided court papers none of that constitutes a legal opinion confirming the claim is likely to win.

In addition, One Insurance's position on his liability claim is that the footage of the incident doesn't support Mr S's position but that of the third party. I appreciate Mr S disagrees with that and believes One Insurance has given wrong information about it to other parties involved in the legal proceedings. As our investigator has advised that's something he could raise as part of a separate complaint. But based on the available evidence I'm not satisfied any alternative policy Mr S took out would have covered the claim he's now pursuing. So I can't direct One Insurance to cover the costs he incurred in doing so.

However, I do think there were issues with One Insurance's handling of this claim. In particular it's unclear to me whether the approved solicitors did provide him with any initial advice which is something he was entitled to under the policy. And when he sought to raise those concerns with One Insurance it simply referred him back to those solicitors. I think it should have taken more proactive steps to ensure the limited cover offered by this policy was actually provided to Mr S.

But even if Mr S wasn't provided with advice he should have been that wouldn't have gone beyond giving basic guidance on the next steps with his claim. It's clear Mr S was able to obtain such advice because he pursued matters himself. And One Insurance has already agreed with our investigator's recommendation to pay Mr S £300. I think that does enough to put things right in the circumstances of this case.

My final decision

I've decided to uphold this complaint. One Insurance Limited will need to pay Mr S £300. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 June 2025.

James Park
Ombudsman