

## **The complaint**

Mr C is unhappy with what AmTrust Specialty Limited did after he made a claim on his legal expenses insurance policy (relating to a new car).

## **What happened**

In September 2023 Mr C contacted Amtrust as he'd bought a new vehicle which had defects. He wanted assistance from his legal expenses policy with a breach of contract claim. Amtrust sent the claim to a firm of panel solicitors (M) for an assessment of whether it had reasonable prospects of success (a requirement of the policy). M said it wasn't able to act as it had a conflict. Amtrust sent the claim to a different firm (L).

In February 2024 (following a complaint from Mr C) it asked L for an update. That firm said the claim hadn't progressed because Mr C hadn't returned its terms of engagement. Mr C said a hard copy had never been sent to him. In any case he didn't think either L or the person dealing with his case was qualified to do so. Amtrust said it was happy to arrange for terms of engagement to be sent to him. And it subsequently offered to appoint an alternative panel firm (T). Mr C didn't consider they were of equal calibre to M.

Our investigator thought Amtrust acted appropriately in approaching L once M advised it had a conflict. And she thought it would have been able to carry out the assessment of his claim. She also thought T would have been able to do so. She thought Amtrust had taken reasonable steps to ensure Mr C's claim progressed.

Mr C didn't agree. He drew attention to what he believed were multiple failures by the vendor of his vehicle which caused him significant distress and inconvenience. And he thought his claim did fall within that 'Consumer Pursuit' section of his policy. He said L had never sent him terms of engagement and Amtrust hadn't taken appropriate steps to resolve this. And he had concerns about T's ability to progress the matter in the light of online reviews of its service. He said we should instruct Amtrust to appoint a credible solicitor's firm to ensure his claim progressed. 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, I appreciate Mr C has found this a difficult and challenging issue to deal with. However, the issue I need to consider is whether Amtrust did anything wrong when dealing with the claim he made to it. And while I'm aware Mr C has made other claims on his policy I'm only dealing in this decision with the one relating to his car. In relation to that the relevant rules and industry guidelines say Amtrust 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 Mr C's policy. The 'Consumer Pursuit' section does provide cover for *"Advisers' Costs to pursue Legal Action following a breach of a contract You have for buying or renting goods or services for Your private use. The contract must have been made after You first purchased this insurance unless You have held this or equivalent cover with Us or another insurer continuously from or before the date on which the agreement was made"*.

Mr C has set out in some detail the issues he has with his vehicle and why he believes the vendor is in breach of a contract. I don't think it's in dispute his claim could constitute an insured event which would fall within the above section of cover. However, it's also a requirement of his policy that a claim has reasonable prospects of success. The definition of that includes *"there must be a 51% or greater chance of winning the case and achieving a positive outcome"*.

As an insurer doesn't have legal expertise our long standing approach is that the assessment of prospects should be carried out by a suitably qualified lawyer who has relevant experience. That's also in line with the policy terms in this case. So I think it was right Amtrust referred the matter to M so that could be done in this case. It's unfortunate M said it was conflicted so couldn't progress the assessment but that isn't something Amtrust is responsible for. I think it acted appropriately in then referring matters to L.

Amtrust didn't have further contact with either Mr C or L until he raised concerns about progress in January 2024. It rightly contacted L to find out what was happening. And it was then advised the claim hadn't progressed because Mr C hadn't returned L's terms of engagement. However, L hadn't been appointed to progress the underlying claim but was at that stage only carrying out an assessment of its prospects of success. So it's not clear to me those terms needed to be signed by Mr C in order for that to be done. This may be an issue Amtrust should have explored further.

But even if it should have done and didn't I don't think that's delayed the progress of the claim. I say that because it's clear Mr C didn't want L to progress his claim in any case. He didn't think they were capable of dealing with it and told Amtrust in March 2024 he wanted a different firm to progress the matter (one that was as large as M). I think it was therefore appropriate Amtrust then offered an alternative firm (T).

And while I appreciate Mr C didn't want them to deal with the claim either I don't think it was unreasonable Amtrust concluded they were able to do so. T are a large firm employing a wide range of specialist professionals. I accept Mr C was concerned they had poor online reviews but I don't think the views of others on the handling of their own case means it was unreasonable of Amtrust to think they could provide advice on Mr C's claim. So, while I recognise Mr C's claim hasn't progressed, I don't think that's because of anything Amtrust got wrong. If Mr C is now prepared to agree to T reviewing the prospects of success of his claim it's open to him to approach Amtrust in relation to that.

### **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 C to accept or reject my decision before 7 July 2025.

James Park  
**Ombudsman**