

The complaint

Mr C complains that Accredited Insurance (Europe) Ltd hasn't accepted any claims under his legal expenses insurance policy.

Where I refer to Accredited Insurance, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

- Mr C made a claim under his legal expenses insurance policy to pursue a surveyor for professional negligence and breach of contract.
- Accredited Insurance obtained a legal assessment to determine whether the claim enjoyed reasonable prospects of success – a requirement for cover under the policy.
- The assessment was inconclusive as more information was required. But it highlighted that the likely value of the claim would be less than £10,000 and therefore likely to be allocated to the small claims track.
- Based on this advice, Accredited Insurance said it would only provide limited funding for experts fees and court fees in line with the policy cover available for small claims court cases. They'd be no cover for legal representation.
- Mr C didn't think this was fair, so he raised a complaint which he's brought to our Service. He says this is the second claim he's made which has been declined and he feels the policy has been mis-sold because it wasn't advertised in a clear, fair, and not misleading way.
- Our Investigator didn't uphold the complaint as he was satisfied Accredited Insurance has dealt with the claim in accordance with the policy terms.

As Mr C didn't agree with our Investigator, the complaint has been passed to me to decide.

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.

In doing so, I've taken into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and (where appropriate) what I consider to have been good industry practice at the time.

Having done so, I've reached the same conclusion as our Investigator and for broadly the same reasons. I'll set out my key reasons why.

- The legal expenses insurance policy terms say that cover is available for consumer disputes. However, for claims allocated to the small claims track, the policy says it will pay *“appropriate experts to build your case, and court fees”*.
- Whilst this term does restrict funding to disbursements only, I don’t think that’s necessarily unfair. The costs of legal representation can be significant and can quickly become disproportionate on a low value claim. And costs aren’t always recoverable even if the case is won. As such, the small claims court is designed to be accessible to individuals without legal representation.
- The legal advice provided to Accredited Insurance is that, due to the likely value of Mr C’s claim, it *“might...be allocated to the small claims track”*.
- Based on this advice, Accredited Insurance has offered to pay the costs of obtaining expert evidence and logging the claim in court – which is what the policy says it will cover. So, on the face of it, I’m satisfied Accredited Insurance has dealt with the claim in line with the policy terms.
- However, as it stands, it’s not definitive that the claim will be assigned to the small claims track. The claim’s value is just one of a couple of factors that will determine what track the case is assigned to. So if the court decides to assign Mr C’s claim to another track, he should let Accredited Insurance know as I would expect it to reconsider cover at that stage – provided the policy terms in respect to prospects of success have been satisfied.
- I’m aware that Mr C disputes the legal advice provided. He says his claim may be worth more. But he hasn’t provided any contrary legal opinion to show that his claim isn’t appropriate for the small claims track nor that it’s been assigned to another track. So I’ve seen no reason to persuade me that Accredited Insurance shouldn’t rely on the legal advice obtained.
- Mr C is concerned this is the second claim he’s made which Accredited Insurance has declined. He says it’s virtually impossible to meet the policy terms. I understand why he feels that way, but he hasn’t brought a complaint to our Service about the decline of his first claim. So I can’t comment on it here.
- When Mr C referred his complaint to our Service, he mentioned that he felt the policy had been mis-sold. He says the policy wasn’t marketed in a clear, fair, and non-misleading way. I can’t see that Mr C has raised a complaint about the sale of his policy to the business who sold it to him. He would need to do so in the first instance, before our Service is able to look into it.

As such, on the evidence available, I’m satisfied Accredited Insurance has handled Mr C’s second claim in accordance with the policy terms and hasn’t treated him unfairly.

My final decision

For the reasons I’ve explained, I don’t 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 28 August 2025.

Sheryl Sibley
Ombudsman