

## **The complaint**

Mr L's complaint is about A-PLAN HOLDINGS trading as Howden's sale of a commercial motor insurance policy.

## **What happened**

Mr L took out a commercial motor insurance policy through Howden in 2023 for his work van. The cover included additional optional legal expenses cover. Howden is an independent broker and is not the insurance provider.

In July 2023, Mr L arranged for his van to be repaired and a new part was fitted. A few months later, Mr L's van broke down. He says this was as a result of the replaced part failing.

Mr L contacted the insurer, as he wants to recover the cost of rectifying the damage to his van (which he says cost £21,000) as well as the cost of hiring vans to use for work, while his van was with the repairer, and loss of income.

The insurer rejected the claim. It said any legal action was not likely to succeed, as it could not be established the part was defective at the time it was fitted. In addition, it said that the policy only covers claims for repairs and servicing where the amount in dispute is less than £10,000 and as Mr L's claim was for more than this it would not be covered.

Mr L was very unhappy with this. Mr L made a complaint to Howden. He says the policy was mis-sold, as the limit in relation to claims for servicing and repairs is unsuitable for a commercial policy.

Howden does not accept it has done anything wrong. It said it provided Mr L with clear information about the cover provided and that his claim was rejected by the insurer because it was deemed to not have reasonable prospects of succeeding, rather than the limit on cover in any event.

Mr L remained unhappy, so referred his complaint to this service. He said in his complaint to us that Howden tried to sell him additional motor legal expenses cover, which he declined. Howden then offered a discounted fee, which he accepted. Mr L says he then believed he had adequate legal cover.

Mr L says that as a result of not having adequate legal expenses cover to recover his losses, he has had to spend over £8,000 on hire costs to be able to work, incurred additional insurance costs, lost income and suffered significant distress, as the matter has impacted his PTSD.

Mr L also says that Howden failed to deal with his complaint properly.

One of our Investigators looked into the matter. She did not recommend the complaint be upheld, as she was satisfied that Howden had provided Mr L with sufficiently clear information at the point of sale to allow Mr L to make an informed choice about the cover he

was choosing, this included information about the option to add legal expenses cover and the limit for servicing and repair disputes.

Mr L does not accept the Investigator's assessment. He has made a number of points in response. I have considered everything he has said and have summarised his main points below:

- He was pressured into taking the legal expenses cover.
- Howden could still have recovered £10,000 from the repairer for him.
- This is miss selling either, fraudulent, negligent or innocent.
- The quotation he was sent only had information about the main cover and not the additional legal expenses cover.
- He did not receive the Insurance Product Information Document ("IPID").
- He is suffering financial hardship as a result of this. Insurance is a scam and we have let him down.

As the Investigator was unable to resolve the complaint, it has been passed to me.

Mr H is also unhappy that Howden received commission on the sale and with the handling of the claim. I can only address the sale of the policy in this decision and cannot deal with the complaint about any commission payment in this decision. I also cannot consider the handling of the claim by the insurer or application of the policy terms.

### **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.

I can see the problem with Mr L's work van has caused significant disruption to his employment and significant additional expenses. However, having considered everything carefully, I do not intend to uphold the complaint. I will explain why below.

The Insurance Conduct of Business Sourcebook says that those selling insurance have a responsibility to provide clear, fair and not misleading information about the cover being provided, in order to put the customer in a position where they can make an informed choice about the insurance they are buying. This includes providing clear information about the main cover and any significant terms.

If the seller is also making a recommendation or advising a customer to take a particular policy, then they should take steps to understand the customer's insurance needs and take reasonable care to ensure the suitability of its advice.

Howden has confirmed that this was an advised sale, so it therefore needed to give Mr L clear information about the policy and ensure as far as possible the suitability of its advice to take the policy.

The main purpose of the relationship between Mr L and Howden was to arrange insurance for his van. The legal expenses cover was an optional addition to the main policy. Mr L says he initially declined the legal expenses cover but Howden coerced him into taking it by offering to reduce the cost to £25 from £39.

I do not consider that offering a discount amounts to pressure. I am satisfied that Mr L was aware this was optional and could have continued to decline the legal expenses cover if he wished.

Like all such insurance policies, the legal expenses policy does not cover every possible legal dispute that might occur and the cover is also subject to terms and conditions.

The legal expenses policy provided cover of up to £100,000 for the costs of pursuing or defending various legal claims that might arise through the use of a motor vehicle, including personal injury claims and uninsured loss recovery, as well as legal defence costs. These would tend to be the main legal issues that policyholders would expect there to be covered for.

The policy also provides cover for the legal costs to pursue or defend legal action relating to servicing or repair of the insured vehicle are only covered if the dispute is valued at between £100 and £10,000.

While this part of cover has become important to Mr L, given what happened to his van, I do not consider it likely that this was of particular concern to him at the time he bought the policy. The fact the claim Mr L wanted to make is not covered does not mean the policy itself was unsuitable and should not have been sold to him.

Given everything stated above, I do not think this policy was an unsuitable recommendation.

Howden also had to provide sufficiently clear information about the policy, so that Mr L could make an informed decision about whether to accept the recommendation or not.

I have therefore considered the documentation provided to Mr L. He was provided with confirmation of his insurance quote and the cover. Howden says this pack included the IPID, which does set out the limit for cover in relation to servicing and repair claims sufficiently clearly in my view. Mr L denies receiving this document but I have no reason to doubt it was sent. I also note Mr L referred to getting a summary of the key features and exclusions, which seems likely to me to have been the IPID.

I'm satisfied that these documents make sufficiently clear that the legal expenses cover was optional and that they provided sufficient information concerning the main aspects of cover under the policy, including the limit on servicing and repair claims, to be able to make an informed decision about whether to take it or not.

Even if I accepted that Mr L did not get the IPID and that Howden should have made this term clearer to him, I am not persuaded this would have made any difference to Mr L's position now. I say this because I am not persuaded that if Mr L would have been concerned about the £10,000 limit at the time, had he known about it, such that it would have meant he would not have taken the policy at all. I consider it likely he would have still gone ahead with the policy, given the rest of the cover provided and its relatively low cost.

And if Mr L had chosen not to take the policy because of the limit on claims for servicing and repairs, he either would not have had any legal expenses cover (so would still not have cover to try and reclaim his losses against garage) or he'd have had to try and find a stand-alone legal expenses policy without any such limit. Even if I were persuaded Mr L would have tried to get an alternative policy, I have seen no evidence that any other policies would have been available without this limit on cover for repairs and servicing disputes.

Having considered everything very carefully, I do not think the policy was mis-sold and even if, for argument's sake I am wrong about this, I do not think that Mr L would have obtained cover for the dispute with the garage elsewhere.

**My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 7 December 2025.

Harriet McCarthy  
**Ombudsman**