

The complaint

N, a company, is unhappy with the actions of HDI Global Specialty SE ('HDI') in relation to the way in which the terms of a commercial legal expenses insurance policy they claimed on has been implemented.

In this complaint N's submissions are made through a representative but I shall refer to all submissions as being N's own for ease of reading.

What happened

The details of this complaint are well known to both parties, so I won't repeat them here. Instead, I'll focus on giving my reasons for my 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.

Having done so, I don't uphold N's complaint for broadly the same reasons set out by the investigator. Before I explain why I wish to acknowledge both N's strength of feeling about its complaint and the volume of submissions it has made. Whilst I've read everything N has said, I won't be addressing it all. That's not intended to be disrespectful. Rather it is representative of the informal nature of the Financial Ombudsman Service. As such I'll concentrate on the crux of N's complaint, namely whether HDI treated it unfairly.

N's complaint follows the view of one of our investigators here at the Financial Ombudsman Service, which both parties accepted in October 2024. In that view the investigator said that HDI should cover N's legal costs incurred in relation to both the defence and the counterclaim. She also said the full claim costs should be covered under the terms and conditions of the policy and subject to standard policy limits and excesses. The parties accepted this.

This specific complaint is about how HDI have administered this award in accordance with the terms of the policy. In summary N says that the service it was provided with was poor and that HDI unnecessarily delayed things. N also wants HDI to pay it interest at 8% per year simple on the costs it has paid as it feels it is entitled to this.

In considering the question of costs under the policy terms I can see that HDI sought in this case to satisfy itself that the work carried out by the Solicitors it appointed was both reasonable and necessary and related to the claim itself. That's not unreasonable. HDI was entitled to do this in line with its policy terms. N was unhappy with the time it took HDI to conduct this review before reimbursing it for Solicitors' costs, and the conclusions HDI reached about what was payable. The latter is not a matter for me to determine. As the investigator explained, it is not our role to determine what costs are payable by an insurer. From what I've seen HDI appointed a cost draftsman to consider these. If N wanted to properly challenge them, this was something that needed to be directed through firm the Solicitors instructed on the claim. I appreciate that this means there was a duration where all

of those costs had not been paid by HDI initially and that N had picked up the shortfall for a time. But that arrangement was not continuous and HDI did eventually discharge all of N's costs. And given HDI instructed a cost draftsmen to carefully consider what was payable to in costs and did eventually discharge all of them as claimed, I don't think I can say that the position they took was unreasonable.

On the question of delays, I have noted the steps HDI took to establish whether the costs payable were reasonable, necessary and related to the claim itself. Having reviewed the enquiries made by HDI, I can't say the time it took them to do this was unreasonable however. The process itself took some time but that wasn't in my view as a result of something HDI did but rather the type of information they were dependent on to establish what was payable by them. I appreciate N might not agree with those enquiries but that doesn't mean they were unreasonable, even if it took longer than N wanted them to.

N says it wants HDI to pay it interest at 8% per year simple on the costs it has paid the Solicitors appointed by HDI from the time N paid them, until it was reimbursed. I've thought about this, but I don't fully follow N's submissions about this. N says interest is due because the policyholder paid legal fees to the panel firm appointed by HDI in accordance with their instructions. I haven't seen anything that supports that HDI told N to pay those costs. The issue is that HDI had previously said it would not pick up all of the costs claimed in the dispute that was previously determined by our investigator. From what N has said I think it's likely that N or the policyholder picked up the panel firm's costs themselves because they had a direct retainer with that firm and not because they were told to do so by HDI. If that's the case, the matter is not something I can determine as that is a private arrangement between N or the policyholder and the Solicitors appointed, irrespective of whether HDI appointed them in the first place.

But even if that's wrong, as the investigator explained, we can't now consider this issue. The question of interest on the earlier award of the investigator needed to be addressed in the previous complaint brought by N. That is because it related to the impact of HDI's failure to accept N's claim in its entirety at that time. But even if it had been, I don't think this would have made much difference as the investigator did not make a money award in that complaint so interest is not something that could have been awarded in accordance with our rules. Rather it is only something we can award on money awards. Equally I haven't made a money award here or found that there are any failings on HDI's part. It follows that I cannot award interest in accordance with the DISP rules that govern this Service.

My final decision

For the reasons set out above, I don't uphold N's complaint against HDI Global Specialty SE.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 8 January 2026.

Lale Hussein-Venn
Ombudsman