

The complaint

Ms D and Mr S complain about the service provided by Morgan Clark Limited after they instructed it to assist them with a claim they made under their home insurance policy.

As most of the communication regarding the claim and complaint has been from Mr S, I'll refer mainly to him in my decision.

What happened

In December 2024, Ms D and Mr S appointed Morgan Clark to assist them with their home insurance claim after their property was damaged by a flood.

In April 2025, Mr S raised concerns about a lack of progress on their claim. He said he wanted to end his agreement with Morgan Clark. A member of Morgan Clark's senior management team contacted him to discuss his concerns and subsequently took over the handling of the claim.

In May 2025, Morgan Clark negotiated a cash settlement with the insurer which was accepted by Ms D and Mr S. After they received the funds, Mr S raised a complaint with Morgan Clark. He didn't think the fee it had deducted was appropriate for the service it had provided.

Morgan Clark said it had already reduced its fee to take into account the issues Mr S had raised in April. It didn't believe it was solely responsible for the issues Mr S and Ms D had faced because these were mainly due to the behaviour and inaction of the insurer and its loss adjuster. It believed the final settlement it had achieved for Mr S and Ms D was a favourable one and more than adequately provided sufficient funding for the reinstatement of their property, even after accounting for Morgan Clark's fees. It offered to reduce its fee further and refund Mr S £7,500. Mr S accepted the refund. But he remained unhappy and asked the Financial Ombudsman Service to consider his complaint.

Our investigator didn't think Mr S's complaint should be upheld. She thought Morgan Clark had dealt with the claim fairly and was entitled to charge its fee in line with the terms of the agreement. She acknowledged there had been some poor service, but she felt the reduction in the fee was enough to recognise this.

Mr S disagreed with our investigator's outcome. He didn't feel he'd been provided with the professional service he was expecting. He said that instead he and Ms D had received a fragmented, opaque process that left them repeatedly chasing for updates, clarity and basic accountability. He said he didn't dispute Morgan Clark's right to charge a fee and accepted that the reduced fee reflected a compromise. But he felt the level of the fee was excessive and it was frustrating to pay for a service that did not meet the standards promised. So, 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.

Having done so, I've decided not to uphold Ms D and Mr S's complaint. I'll explain why.

I've considered everything Mr S has told our service, but I'll be keeping my findings to what I believe to be the crux of his complaint. I wish to reassure Mr S I've read and considered everything he's sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

Jurisdiction

Morgan Clark has asked for some clarification as to whether our service can consider complaints about fees.

The Financial Conduct Authority (FCA) sets out rules about which complaints we can consider. These are contained in the Dispute Resolution Rules (DISP). DISP 2.3.1 sets out the types of complaints we can consider. Relevant to this complaint, 2.3.1 (1) says we can only consider insurance complaints about regulated activities – or any ancillary activities carried out by the firm in connection with them.

Morgan Clark is regulated by the FCA to carry out the regulated activities of "*assisting in the administration and performance of a contract of insurance*" and "*agreeing to carry on a regulated activity*". This means our service can consider this complaint in so far as it relates to these activities or anything ancillary to it.

When most of the issues Mr S has complained of occurred, Morgan Clark was representing him in relation to his claim with his insurer. This means Morgan Clark was carrying out the regulated activity of "*assisting in the administration and performance of a contract of insurance*". So, I am able to consider Mr S's concerns about the way Morgan Clark dealt with his claim.

Part of Mr S's complaint is to do with the fee he was charged. I don't think charging fees amounts to "*assisting in the administration and performance of a contract of insurance*". But I think charging fees for that activity is ancillary to it. In short, Mr S and Morgan Clark made a contractual agreement, which included Morgan Clark carrying out the above regulated activity, subject to certain terms and conditions, including how Morgan Clark would be paid for doing so. If Morgan Clark hadn't agreed to enter into and perform the contract, the matter of the fees it could charge wouldn't have arisen.

I also think charging fees amounts to "*agreeing to carry on a regulated activity*" or is at least ancillary to it. "*Agreeing to carry on a regulated activity*" concerns entering into the contractual agreement itself, and that includes how Morgan Clark would be paid. So, I'm satisfied I can consider Mr S's concerns about the fee he was charged in this decision.

Delays and communication

When Ms D and Mr S instructed Morgan Clark they agreed to its terms which say:

"We agree to act on your behalf in connection with your above claim, including advising you, preparing your claim and negotiating on your behalf with your Insurers and/or third parties

where applicable. We shall, to the best of our ability, obtain a speedy and satisfactory settlement on your behalf but, being your agents and not the agents of your Insurers, we give no warranty that a settlement will be achieved in a specific time, or at all."

Mr S says Morgan Clark failed to progress his claim, and with the exception of initial strip out works, work to restore his home had not started.

I understand the slow progress of the claim was very worrying for Mr S and Ms D. They were particularly concerned that their alternative accommodation would run out if a cash settlement wasn't agreed promptly. They also had to pay bills for two homes as the insurer was slow to cover expenses they'd claimed for. However, having reviewed the information available to me, I think that most of the delay was outside of Morgan Clark's control.

Morgan Clark needed to get approval from the insurer's loss adjuster to cover costs before the strip out works could commence. These costs were agreed in late January, with strip out works beginning a couple of weeks later. The surveyor introduced by Morgan Clark attended the property at the end of February and provided a specification of works a few weeks later. Morgan Clark submitted the specification to the insurer almost straight away. However, the loss adjuster didn't respond for a couple of weeks, despite multiple chasers from Morgan Clark. There were some queries about the scope which needed to be addressed. A joint site meeting was agreed, which took place at the end of April. By this point, Mr S had already raised concerns about the progression of his claim. So, the joint site visit was attended by a member of Morgan Clark's senior management team.

Mr S says that in contradiction to his instructions, Morgan Clark negotiated with the loss adjuster to establish a tender process to identify an appropriate contractor to undertake the required works to his property. Mr S says that, when challenged, Morgan Clark's senior manager said this was "*just following the normal protocol*".

Having reviewed the email correspondence around this time, I can see that the senior manager explained to Mr S that the purpose of going ahead with the tender was to be able to show the insurer what reinstatement costs would be, in the event that its cash settlement offer was too low. He explained that regardless of which contractor won the tender exercise, Mr S would not be obligated to engage them. Morgan Clark also made it clear to the insurer that the tender process wouldn't need to continue if it made an acceptable settlement. As it happened, Morgan Clark was able to negotiate a satisfactory settlement with the insurer before the tender submission date, so the tender process was stopped.

I appreciate Mr S was worried that going through a tender process might delay him receiving his cash settlement. However, I'm not persuaded that Mr S was disadvantaged by Morgan Clark's actions here. I'm satisfied that Morgan Clark was acting in his best interest in trying to secure him a satisfactory settlement as quickly as possible. I'm also satisfied that Morgan Clark clearly explained its strategy to Mr S.

I understand Mr S feels that Morgan Clark didn't do enough to expedite the claim earlier on in the process. He says the communication from the loss assessor who was initially dealing with the claim was poor and ineffective.

Morgan Clark has acknowledged that there was some poor communication from the initial loss assessor. However, it says it accounted for this in the reduction of its fee.

I think Morgan Clark made reasonable attempts to try to move the claim forward more quickly. I can see it was regularly chasing the insurer and its loss adjuster to approve costs and make payments to Mr S. I appreciate Mr S also contacted the insurer directly, and this

seemed to help move things forward. But this was after a lot of chasing from Morgan Clark. It's possible Morgan Clark could have done more to escalate matters. But given that the main delays were due to the loss adjuster and the insurer, I think there was a limit to what Morgan Clark could do here.

In this decision I am only able to consider the actions of Morgan Clark. As the policyholder, Mr S would be entitled to raise a complaint against the insurer if he wanted to.

Contractor and surveyor

Mr S has also raised concerns about the quality of the strip out work and the actions of the surveyor introduced by Morgan Clark.

Morgan Clark's terms say:

"... contractors and other specialists will at all times be your agents and not our agents, whether or not introduced by us. We accept no liability for any negligent acts, errors or omissions of these specialists."

Given the above, I can't hold Morgan Clark responsible for any failings on the part of the contractor who carried out the strip out work or the surveyor.

From what I've seen, I'm satisfied Morgan Clark engaged with these contractors appropriately. So, I'm not persuaded Morgan Clark is responsible for anything that might have gone wrong here.

Termination of agreement

Mr S says he explicitly stated he wanted to terminate the agreement with Morgan Clark on 22 April 2025. He says he asked for a statement of hours on which the final bill would be based up to that point. He's also commented that the involvement of Morgan Clark's senior manager was "*uninvited*".

I can see that Mr S told Morgan Clark he wanted to end his agreement with it because he didn't feel it was adding any value to his claim. He was contacted by Morgan Clark's senior manager, who noted that Mr S possibly wanted to end the agreement. However, after that it was agreed that the senior manager would attend the joint site visit on 29 April.

In an email Mr S sent the senior manager on 1 May 2025, he said:

"Firstly, thank you for attending the meeting on Tuesday, (Ms D) and I very much appreciate you rescheduling your time to be there. Secondly, I would very much like to continue the discussion regarding Morgan Clark's continued role in our claim...Please let me know your availability to reconnect."

I haven't seen any evidence to support what Mr S says about explicitly saying he wanted to terminate his agreement with Morgan Clark or that he made multiple requests for a termination fee. I have seen a lot of email communication between Mr S and the senior manager leading up to Mr S accepting the insurer's settlement offer on 22 May 2025. Mr S seemed to support Morgan Clark's efforts to secure him a settlement. In his acceptance email to the senior manager, Mr S said:

"Thank you so much for pursuing this, we genuinely appreciate and value your efforts."

Given the above, I'm not persuaded Mr S made it clear that he wanted to terminate his agreement with Morgan Clark or he was unhappy with the involvement of the senior manager.

Fees

The terms Ms D and Mr S agreed to say:

“... In the event that you take a cash settlement or instruct our alternative contractor, our fee will be 10% + VAT of the total claim settlement.”

Morgan Clark calculated its fee to be £31,736 (including VAT), but it reduced it several times to try to resolve Mr S's concerns. This meant the actual fee Mr S and Ms D paid Morgan Clark was £17,025.

I appreciate Mr S still feels this amount is too high for the work that Morgan Clark carried out. However, the fee Mr S and Ms D agreed to when it entered the agreement with Morgan Clark wasn't based on the amount of work it carried out or the time it spent on their claim.

I'm satisfied that Morgan Clark broadly did what it agreed to do under the terms of the agreement with Ms D and Ms S. It successfully negotiated a settlement with the insurer which Mr S and Ms D were happy to accept. So, I think Morgan Clark was entitled to charge its fee, in line with the agreement.

Mr S was unhappy that Morgan Clark took its fee before passing on the insurer's settlement. He's described this as inappropriate, unjustified and potentially unlawful.

However, the terms say:

“Upon receipt of cleared funds we shall remit such settlement to you less payments due to specialists and contractors and any fees due to us, where applicable.”

So, I'm satisfied that Morgan Clark was entitled to deduct its fee from Ms D and Mr S's settlement in line with the terms they agreed to.

In conclusion

I understand it has been a difficult and worrying time for Ms D, Mr S and their family who experienced significant damage to their home and a claims process that was longer than they'd hoped. However, I'm satisfied from what I've seen that Morgan Clark broadly provided the service it agreed to. Part of this service was negotiating Ms D and Mr S a settlement, which Morgan Clark was successful in doing.

While some of Morgan Clark's communication might have been better, I think the significant reduction in its fee more than makes up for any service failings. So, while I appreciate my answer will be disappointing for Ms D and Mr S, I'm not persuaded to uphold their complaint.

My final decision

For the reasons I've explained, I don't uphold Ms D and Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D and Mr S to accept or reject my decision before 23 March 2026.

Anne Muscroft
Ombudsman