

The complaint

Mr E complains that Aviva Insurance Limited declined a claim on his legal expenses insurance policy and complains about the way it dealt with the claim.

Where I refer to Aviva Insurance Limited, this includes its agents and claims handlers acting on its behalf.

What happened

Mr E made a claim on his policy. He wanted solicitors to act for him in a claim against someone who owed him money.

Aviva got legal advice from its panel solicitors. They said Mr E had a good chance of winning his case at court but it was unlikely he would be able to recover any money from the other person.

Aviva said it wouldn't cover the claim if Mr E did not have a reasonable chance of recovering the money from the other party.

Mr E got advice from his own solicitors, who said he could issue a statutory demand against the other person. They said in most cases, when a statutory demand is served, the other person will pay the debt rather than risk being made bankrupt.

Aviva asked Mr E's solicitors to confirm if it was likely Mr E would get any money back from the other person but the solicitors said it was impossible to say.

Aviva still said it would not cover the claim, and if Mr E wanted to challenge this, he would need to get a legal opinion which said he did have a good chance of recovering the money owed to him. But it accepted it should have dealt with things more quickly and given more updates to Mr E. Aviva offered compensation of £200.

When Mr E referred the complaint to this Service, our investigator said it was fair for Aviva to decline the claim. But it was aware of Mr E's needs and should have given him information in a way he could understand – in this case, have someone legally qualified explain the legal advice to him. The investigator said £450 would be a fair amount of compensation.

Aviva didn't accept the recommendation and said it had acted fairly.

Mr E said he didn't think he should have to pay for another legal opinion, and he didn't think the compensation was high enough.

The investigator considered the new comments but didn't change their opinion. So I need to make a 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.

The relevant industry rules and guidance say insurers should:

- Deal with claims promptly and fairly, and not unreasonably reject a claim.
- Support a policyholder to make a claim and consider if someone is in a vulnerable situation.
- Give consumers the information they need in a way they can understand. The information should be clear, fair and not misleading.

Taking these points into account, I think it was fair for Aviva not to cover the claim, but it should have done more to explain things to Mr E. My reasons for saying this are:

- The policy terms say cover will only be provided if solicitors advise it is
“more likely than not that you will
a. Recover damages or obtain any other legal remedy which we have agreed to...”
- Almost all legal expenses insurance policies say they will only cover a claim if the consumer is likely to be successful. Insurers will get legal advice about this and they can rely on that advice unless it's obviously wrong.
- Aviva had advice from solicitors that said Mr E was likely to win at court but he was not likely to recover any money from the other person, because there was no evidence the other person had the money to pay the debt.
- It was fair for Aviva to rely on that advice and to say it would not cover the claim.
- If Mr E wants to challenge the decision, he needs to get a legal opinion that shows he will be able to enforce any court order and it is likely he will recover the money owed.
- Although it was fair for Aviva to decline the claim, it should have given Mr E more support. He has disabilities and mental health needs, which mean he finds it difficult to understand long complicated written documents. He says Aviva should have made reasonable adjustments for him to comply with his rights under the Equality Act and failed to do that.
- I can't make a finding about whether Aviva has breached the Equality Act – Mr E would need to ask the court to do that. But when deciding whether Aviva has acted fairly, I can take into account relevant law, rules and guidance. I've taken the Equality Act 2010 into account, but I've decided this complaint based on what's fair and reasonable.
- Mr E has said he gave Aviva the advice from his solicitors, so he shouldn't have to pay for another. Aviva did explain to him that his solicitors said they could not confirm he would be able to recover the money owed. To challenge the decision, he would need to provide a legal opinion that says he is likely to recover money from the other person.
- But Mr E had told Aviva about his needs and it should have given him information in a way he could understand. The main issue is the legal advice. Aviva should have arranged for someone legally qualified to explain the legal advice to him so he could understand it. This would help him to decide if he wants to pay for another opinion.
- I agree that Aviva didn't explain things to Mr E in a way he could understand. So it should do that now, and pay compensation for the distress caused to him.
- Mr E has explained that the claim started over a year ago, and he's found it all very difficult. The situation was already upsetting for Mr E and the way Aviva dealt with

things made him more upset. But I can only look at what happened between October 2024 and February 2025 – that's the period this complaint covers. I have thought about the impact on Mr E during that time and I think a payment of £450 would be fair.

My final decision

My decision is that I uphold the complaint and direct Aviva Insurance Limited to

- Ask the panel solicitors to arrange for someone to speak to Mr E and explain the advice to him. If the panel solicitors can't do that, Aviva should pay the reasonable costs for Mr E to get that explanation from a solicitor of his choice.
- Pay compensation of £450 in total (if it has already paid £200, it may deduct that amount).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 5 November 2025.

Peter Whiteley
Ombudsman