

## The complaint

Mr L complains that Acromas Insurance Company Limited wouldn't pursue legal action under his motor legal assistance insurance claim.

## What happened

Mr L held motor legal assistance cover with Acromas. In 2024, Mr L's car was damaged by a third-party. He made a claim under his legal assistance cover for his uninsured losses.

Mr L's motor insurer had initially corresponded with the third-party's insurer in respect of Mr L's uninsured losses. The third-party's insurer made an offer of £80.21. Mr L's motor insurer told Mr L that some of his costs weren't recoverable from the third-party's insurer and put forward the offer of £80.21. Unhappy with this, Mr L complained to Acromas.

Acromas issued a final response to the complaint on 14 February 2025. It explained that for a claim to be covered there would need to be reasonable prospects of success. Acromas noted that Mr L's motor insurer had communicated with the third-party's insurer and concluded the likelihood of recovery to be low. However, Acromas said it did then recover a partial cost of £80.21 for him. It said the matter was referred to legal council for review on prospects and the decision was made not to pursue the claim.

Mr L brought his complaint to this service.

Our investigator looked into things and recommended the complaint be upheld. He said Acromas hadn't obtained legal advice on whether the matter had reasonable prospects of success. He recommended that Acromas arrange for the claim to be considered by a suitably qualified lawyer. He also recommended Acromas pay Mr L £150 compensation for failing to do this.

Neither party accepted our investigator's recommendations, and so the matter has been passed to me for 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.

Mr L has mentioned some concerns he has with the insurer for his motor insurance policy, namely that their involvement on the uninsured losses side of things delayed a claim being considered under his motor legal assistance policy with Acromas. In this decision, I can only consider Acromas's actions. If Mr L is unhappy with his motor insurer, he should raise his concerns with them directly.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must not unreasonably reject a claim and should handle claims promptly and fairly. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of Mr L's complaint.

The policy includes uninsured loss recovery. It says *'In the event of damage to your car, legal experts will examine your claim and, if they feel that you have a valid claim against a third party and it is more likely than not your case will be successful, they will work hard to get the claim settled in full, fast. We can help with the legal costs for essential out of pocket expenses such as your policy excess and essential alternative transport or loss of earnings. There's no solicitor's fee to pay, so you keep all of your damages.'*

The policy then provides further detail about this and defines uninsured losses as:

*'One or more of the following arising directly out of an accident:*

- (i) the Car Insurance Policy excess;*
- (ii) the cost of essential alternative transport;*
- (iii) loss of earnings*
- (iv) essential out of pocket expenses*
- (v) the cost of repairing the Insured Vehicle or its market value, where the Car Insurance Policy is not on a Comprehensive basis; or*
- (vi) damages for personal injuries sustained in the accident by the Insured Person'*

The policy later says for uninsured losses there would need to be reasonable prospects of success. It defines reasonable prospects as 51% and above chance of succeeding with the claim and enforcing any award.

As an insurer isn't a legal expert, we think that the prospects of success of a claim should be assessed by a qualified lawyer with suitable experience. Where that's been done, we think it's reasonable for an insurer to rely on a properly written and reasoned legal opinion in deciding whether a claim is covered.

It seems there's been some crossover due to the various parties involved. Although I'm not considering the actions of Mr L's motor insurer in this decision, I've included what steps they took in respect of the uninsured losses as this is relevant when considering how Acromas dealt with the claim.

Mr L's motor insurer corresponded with the third-party's insurer to try and recover his uninsured losses. The third-party's insurer made an offer, but after further consideration decided to withdraw this. It seems that's because they thought the losses were overexaggerated. Whilst Mr L is unhappy that the offer was withdrawn, I haven't seen any evidence that Acromas was at fault for this. The third-party's insurer then made a new offer of £80.21.

The motor insurer sent the correspondence to a firm of solicitors for advice on whether the third-party's insurer's offer was reasonable. I've read a response from a litigation manager at that firm, but according to the Law Society website, she isn't a qualified solicitor. The litigation manager commented on the third-party's insurer's view on the various losses but didn't provide an opinion on the prospects of success of pursuing those losses in a legal claim.

It seems to me that Acromas didn't take any action in respect of the claim, such as obtaining a prospects assessment from a qualified lawyer, and just relied upon the steps taken by the motor insurer when it concluded there wasn't reasonable prospects of success.

So, I find that Acromas didn't act fairly when it decided not to pursue the claim. I agree with our investigator that the fair outcome would be for Acromas to arrange for the claim to be reviewed by a suitably qualified and experienced lawyer and for an assessment to be made on the prospects of success.

Mr L says he wants to choose the solicitor firm that Acromas refers the matter to, as he has concerns about transparency and fairness.

The policy explains that if a claim has reasonable prospects of success, Acromas will choose an appointed representative to act on the insured's behalf. But the insured may choose another representative if there's a conflict of interest, or there is an inquiry or legal proceedings are about to commence.

The policy defines appointed representative as a '*solicitor, lawyer or appropriately qualified person, firm or company*'. This is also known as a panel solicitor.

When assessing the merits of a claim, the normal approach of this service is that we say it's fair for an insurer to use a panel solicitor because their advice is intended to help the insurer decide whether there's any cover available under the policy. So, I don't require Acromas to allow Mr L to choose the firm of solicitors.

Mr L thinks we should tell Acromas to pay the initial offer that was made to him by the third-party's insurer and later withdrawn. But legal expenses insurance doesn't work in that way. The purpose of a legal expenses insurance policy is to pay the legal fees to recover losses from the relevant party. So, Acromas isn't liable for Mr L's uninsured losses.

I think Mr L has been caused some avoidable distress and inconvenience as a result of Acromas's handling of his case and failing to arrange for a legal assessment on prospects. In recognition of this, I require Acromas to pay him £150 compensation for this.

### **My final decision**

My final decision is that I uphold this complaint. I require Acromas Insurance Company Limited to arrange for the claim to be reviewed by a suitably qualified and experienced lawyer, and for an assessment to be made on prospects.

I also require Acromas to pay Mr L £150 compensation.\*

\*Acromas must pay the compensation within 28 days of the date on which we tell it Mr L accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 12 March 2026.

Chantelle Hurn-Ryan  
**Ombudsman**