

The complaint

Mr P complains about the way U K Insurance Limited (“UKI”) handled a claim on his legal expenses insurance. He says the service he received was poor.

What happened

Mr P made a claim on his legal expenses insurance. He wanted cover for a clinical negligence claim.

UKI referred the claim to panel solicitors to assess whether the case had reasonable prospects of success, as required under the policy terms. The panel solicitors said the case wasn’t likely to be successful, so UKI did not agree to provide cover.

Mr P complained. He said the panel solicitors had used the wrong legal test, and he was unhappy about the time they took to reply to his correspondence. UKI didn’t initially uphold the complaint but after Mr P provided further comments, it said there had been some delays responding to correspondence and paid compensation of £100 for this.

When Mr P referred the complaint to this Service, our investigator said he couldn’t comment on the legal advice; it was reasonable for UKI to rely on that advice; and if Mr P wanted to challenge the decision, the way to do that was by providing a contrary legal opinion.

Mr P didn’t accept the investigator’s view. He said he understood we couldn’t comment on the legal advice and his concern wasn’t about that – what he wanted us to consider was the service he’d received.

The investigator said the further correspondence Mr P had had with UKI and the panel solicitors had been due to him seeking to challenge the legal position himself, rather than submit a legal opinion, and he didn’t think there had been poor service in relation to this.

Mr P disagreed and requested an ombudsman’s decision. He said he didn’t want the ombudsman to comment on the legal position and wanted a review of the service he had received.

Before proceeding with a decision, I explained that if Mr P wanted to challenge the legal advice, the way to do that was to submit a contrary legal opinion, and the policy terms said that would need to be by way of counsel’s advice. And that, having reviewed everything, I thought the compensation of £100 paid to Mr P was fair.

In response, Mr P has provided further comments for me to consider, including:

- He didn’t agree that the compensation from UKI was enough to reflect the poor level of service he received.
- There were conversations between UKI and the solicitors which he wasn’t involved in; he wasn’t kept up to date with what was happening, and there was reference to an email that wasn’t actually sent. The explanations he received didn’t give the same level of importance to service levels as he did.

- It wasn't fair to expect him to obtain a barrister's opinion and that should be relevant to the complaint.
- The compensation UKI offered wasn't paid and in any event wouldn't put him back in the position he would have been in, but for the poor service he experienced.

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 must deal with claims promptly and fairly, support a policyholder to make a claim, and not unreasonably reject a claim. I've considered Mr P's comments but I'm satisfied the way the claim was dealt with was reasonable and, while there were some delays, the compensation UKI said it would pay was fair.

The starting point for deciding whether a claim has been dealt with fairly is the policy terms. The policy includes cover for clinical negligence claims, but cover will only be provided if the claim has reasonable prospects of success.

It's a requirement of almost all legal expenses insurance that cover will only be provided if a claim is likely to be successful. I think that's reasonable – it wouldn't be fair to expect an insurer to cover a claim if it's unlikely to succeed. Insurers will obtain legal advice about the prospects of success and they're entitled to rely on that advice unless it's obviously wrong.

UKI referred the claim to the solicitors to assess the legal merits. It's not for me to comment on the actions of solicitors, who have their own Regulator and complaints process. I can only consider how UKI dealt with the insurance claim. I think UKI was entitled to rely on the legal advice. Mr P says the solicitors referred to the wrong legal test. He's referred to a Supreme Court judgment but I don't think that shows the legal advice was obviously wrong. It concerned the information to be provided when obtaining a patient's consent to treatment, whereas the issues the panel solicitors were considering concerned the treatment given to Mr P. UKI received a reasoned legal opinion from someone suitably qualified and it was reasonable to place more weight on their advice than the comments from Mr P.

If Mr P wishes to challenge the decision on his claim, the way to do that would be to obtain his own legal advice. I appreciate that would often involve obtaining an opinion from another solicitor. But in this case, the policy terms explain that a policyholder should obtain a barrister's advice – which UKI will pay for, if it is favourable. As that's what the policy terms require, I think it was reasonable in this case for UKI to refer to that.

I wouldn't generally hold an insurer responsible for the actions of solicitors. And in this case, the solicitors were only assessing whether the claim had prospects of success; they hadn't got as far as representing Mr P in pursuing his legal action. But where a policyholder is unhappy with the actions of solicitors and raises those concerns with the insurer, it's good practice for an insurer to look into that, if only to raise the issue and get a response they can then feed back to their customer.

UKI did that – it reviewed Mr P's comments, sought some further information from the solicitors, acknowledged there had been some delays, and paid compensation of £100.

While Mr P wanted a detailed reviewed of every interaction he had with the solicitors, I don't think that's required here. Our role is to resolve disputes quickly and with minimal formality. So I've reviewed things in the round and considered how the claim was dealt with overall.

Although there were some occasions where Mr P didn't receive replies in line with the service standards expected, any delays were relatively short. His claim was assessed and he was able to pursue his complaints about both UKI and the solicitors. Looking at the overall sequence of events and the timescales involved, I think the compensation of £100 was a reasonable amount to acknowledge the impact of the delays on Mr P.

Mr P says he didn't receive the compensation and doesn't think it would be enough anyway. I've explained why I think that was a fair amount. UKI says it sent a cheque to Mr P for that amount. If he didn't receive the cheque but would like to accept the compensation (despite his view that it isn't enough) it's open to Mr P to contact UKI about that.

My final decision

My decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 January 2026.

Peter Whiteley
Ombudsman