

The complaint

Mr J complains that RAC Insurance Limited turned down his legal expenses claim.

Any reference to RAC includes the actions of its agents.

What happened

In 2023, Mr J contacted RAC to make a claim under his legal expenses cover. He wanted to make a legal claim against his local authority for harassment.

RAC referred the matter to its claims manager to consider. They said the claim was made outside the 90-day timeframe given in the policy for claims to be notified to them. Though even if the claim had been submitted in time, they said it wouldn't be covered as it didn't fall within the scope of the policy. They explained the policy covers property related claims but not claims for harassment.

After Mr J complained about this, RAC issued a final response letter on 11 April 2023. It maintained the decision to decline the claim. Although Mr J asked this service to consider his complaint, my ombudsman colleague concluded Mr J had brought his complaint outside our time limits, and so his complaint fell outside our jurisdiction.

Following RAC's final response of 11 April 2023, Mr J provided new information relating to his claim. RAC told him his claim had already been turned down, and it had appointed a new claims manager. Mr J brought another complaint to this service, and our investigator thought RAC should consider the new evidence and make a new claims decision on whether the policy would respond. RAC agreed to this.

RAC's new claims manager considered the matter and in March 2025, they turned down the claim. They said the claim wasn't covered under the policy. They also thought the issues giving rise to the claim had begun before the start date of the policy in October 2020, and this meant the claim wasn't covered anyway. Finally, they said that Mr J had given a late notification of his claim, which also meant it wasn't covered.

Mr J complained to RAC about this. RAC issued a final response to the complaint on 9 April 2025. It maintained its decision to turn down the claim, as it said this didn't fall within the scope of cover. Unhappy with this, Mr J brought a further complaint to this service.

I issued a provisional decision on 22 December 2025. Here's what I said:

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must not unreasonably reject a claim. 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 J's complaint.

In this decision, I'll only be considering the matters addressed in RAC's final response letter of 9 April 2025.

To decide whether RAC acted fairly by turning down Mr J's claim, I've first considered the policy terms and conditions.

The policy sets out what is covered as follows:

'1) Pursuit of civil claims brought within the Geographical Limits by You for damages, arising from or out of:

- i) Your death or personal injury...*
- ii) The purchase, hire purchase or lease of goods or services...*
- iii) Any infringement of Your legal rights arising from and relating to Your ownership or occupation of Your principal place of residence where the insured event occurs more than 180 days after inception of the first period of insurance.*
- iv) Your contract of employment...'*

It's not in dispute that points one, two and four don't apply to this claim. I've therefore considered whether point three applies. If it doesn't, then Mr J won't have a valid claim under the policy.

Mr J explains that after he purchased his property, he discovered that the retaining wall (which he says is owned by another party) breached planning permission granted to the developer of the estate. He says the wall forms a boundary with a public right of way and that if the wall fails then his property will be at risk of structural damage, and the public will be in danger. Mr J reported his concerns with the wall to the local authority in July 2020, which was before the policy started.

Further correspondence took place between Mr J and the local authority about the matter. The local authority didn't agree with Mr J's concerns about the wall. Then in February 2022 and May 2022, the local authority issued Mr J with vexatious and persistent complainant orders. Mr J considers the local authority is harassing him because of this, as well as a threat to report him to the police, and says this has caused him distress. Mr J has confirmed his claim with RAC doesn't relate to the wall itself and says it's about the harassment to him as a person.

Based on Mr J's explanation that he wants to make a legal claim for harassment, I think it was reasonable for RAC to conclude that his claim isn't covered by the policy. I'll explain why.

Mr J and the local authority have a difference of opinion over the safety of the wall bordering his property. But Mr J's claim doesn't relate to a breach of any of his legal rights that might exist relating to that wall, such as trespass or nuisance for example. Instead, it relates to correspondence issued to him by the local authority when the parties couldn't reach an agreement over the matter.

Mr J argues that the alleged harassment arises from the ownership of his property. I appreciate there's a dispute that relates to his property and this was the catalyst that led to the alleged harassment. However, I don't think harassment could be considered an infringement of Mr J's legal rights arising from and relating to his ownership or occupation of his property. The actions taken by the local authority don't restrict his rights relating to his ownership or occupation of his property – they related solely to his contact with the local authority. I think it was reasonable for RAC to say that harassment would instead be an infringement of the legal rights of an individual, which isn't covered by the policy.

I therefore find that RAC's decision to turn down the claim was reasonable.

RAC has referred to other policy terms and exclusions that it considers applies. Though as I've found that the claim isn't covered, I don't need to consider these.'

I asked both parties for any further comments they wished to make before I made a final decision.

RAC responded to say it accepted my provisional findings.

Mr J responded to say he is covered for harassment. He doesn't think I understand harassment law and says that I've agreed with RAC as it's the simple thing to do.

As both parties have responded, I'll now issue my final 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 J says he is covered for harassment. As set out in my provisional decision, the policy only covers the pursuit of civil claims for damages arising out of four specific circumstances. As I said, the only one that could apply here is '*Any infringement of Your legal rights arising from and relating to Your ownership or occupation of Your principal place of residence where the insured event occurs more than 180 days after inception of the first period of insurance.*'

I concluded that harassment couldn't be considered an infringement of Mr J's legal rights arising from and relating to his ownership or occupation of his property. I therefore thought RAC's decision to turn down the claim was reasonable. Although it seems Mr J disagrees with me on this, he hasn't provided any new points for me to consider or address. All of Mr J's previous points, arguments and views on this were already taken into account when I reached my provisional decision. I therefore remain of the same opinion as set out in my provisional decision, and for the same reasons.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 4 February 2026.

Chantelle Hurn-Ryan
Ombudsman