

The complaint

Mr M complains that Hastings Insurance Services Limited trading as Hastings Direct (Hastings) provided incomplete or unclear information about a legal expenses insurance policy.

What happened

Mr M took out a motor insurance policy which included legal expenses insurance as an add-on. The policy was arranged by Hastings, with the legal expenses insurance provided by A, an insurer.

Mr M made a claim on the legal expenses insurance and was referred to C, a solicitor. The solicitors withdrew from his claim. The details of that claim, and reasons for the solicitors withdrawal aren't relevant to my decision here.

Mr M made a complaint to Hastings. He said he hadn't been made aware when he took out the cover that the solicitors acting for him could withdraw from a claim, and that important facts about how legal expenses insurance claims were handled and administered wasn't disclosed when he took out the policy. He wanted further assistance from Hastings to obtain legal representation.

After Hastings rejected his complaint, Mr M referred it to our service. Our investigator didn't think Hastings had done anything wrong. Mr M disagreed and asked for an ombudsman's 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.

My starting point here is that I won't be making any comment on the handling of the claim, or the actions of the solicitor. If Mr M is unhappy about how the claim has been handled, either before or after the involvement of C, then he should direct those concerns to A in the first instance. Similarly, any decision to appoint a new solicitor would be taken by A. Hastings has no role in that.

What I'm focussing on is whether Hastings acted appropriately when the policy was taken out, and also the provision of information when Mr M contacted it during the course of the claim. As it isn't the insurer, it can't address how a claim is handled.

It's accepted that the sale of the policy in question was on a non-advised basis. That means that Hastings didn't recommend a particular policy based on Mr M's stated needs. However, it has an obligation to provide information about the policy as part of that sale which is clear, fair and not misleading. It needs to provide the relevant information during the sale to allow a prospective policyholder to make an informed decision about whether the cover is suitable. That includes highlighting any particularly unusual conditions, or parts of the policy which place a particular obligation on the policyholder

I'm satisfied that during the sale process, Mr M was provided with sufficient and suitably detailed information about the policy. I don't think that any of the conditions Mr M now believes were unreasonable were of a nature that required specific highlighting. They weren't unusual, specifically excluded something which would otherwise be expected to be covered or placed any unexpected obligation on him. He was provided with the relevant information, and if he had questions about any aspect of the cover, the details of the insurer were provided as part of this.

I'm aware that Mr M says that if he'd known C could withdraw from the claim, he wouldn't have taken out the cover. Even if I accepted that such a condition should have been specifically highlighted (which I don't), I can't accept such a suggestion. The context of the legal expenses insurance is important here – it was an add-on to a motor insurance policy. I can't accept that Mr M would have sought alternative motor insurance cover if he'd been specifically notified that a solicitor acting on a legal expenses insurance claim could withdraw from the claim.

I think it's unlikely that this one condition of an add-on would be the determining factor in whether to purchase the motor insurance cover. I think it's relevant to consider that Mr M's view that he wouldn't have taken out the cover if he'd known about the terms and conditions and way the claim would be handled is inevitably subject to a degree of hindsight based on how he's perceived a subsequent claim has been handled.

I accept that during the course of his contact with Hastings, there could have been greater clarity about the relationship between Hastings, C and A, particularly that A was the insurer of the policy while C, as the appointed solicitor would handle claims on its behalf. However, the practical impact on Mr M is, I'm satisfied, minimal. He wasn't restricted in his ability to make a claim, or raise concerns about the actions of C by that. C effectively had a delegated authority to handle claims on behalf of A, so Hastings directing Mr M to C without referring to A had no effect on Mr M.

What is apparent is that after C withdrew its representation, Mr M spoke with Hastings. It in turn spoke with C, and told Mr M that if there was a conflict of interest then a new solicitor could be appointed. That's in line with the terms and conditions of the policy, but it isn't Hastings' responsibility to assess a conflict of interest or the way in which the claim is handled, as I've said previously.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 April 2026.

Ben Williams
Ombudsman