

## **The complaint**

Mr H complains that U K Insurance Limited (“UKI”) failed to provide clear information about what he needed to do to be covered for a claim on his legal expenses insurance policy, and delayed in appointing solicitors, which meant he had to act as a litigant in person for a period of time.

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

## **What happened**

The history of this matter goes back several years but this complaint only covers a limited period. I will summarise the key events I have considered here:

- Mr H is a builder. He had a legal dispute with someone after carrying out work at their property. They were unhappy with the work he had carried out and took legal action against him.
- UKI agreed to provide cover and appointed one of its panel firms of solicitors to act for Mr H. But when his barrister advised he did not have reasonable prospects of defending the case, cover was withdrawn.
- The barrister said that, although Mr H didn’t have a reasonable chance of defending the case, there was a reasonable chance he could reduce the amount of the claim. UKI told Mr H it would consider reinstating cover if he put forward a reasonable settlement offer (known as a Part 36 offer) to the other side. This would need to be an offer the other party would not be likely to beat if the case went to court. UKI said any offer would need to be based on expert advice about the value of the work in dispute.
- Mr H complained about events up to that point, and we dealt with that in 2023.
- He contacted UKI again in December 2023, saying he now had an expert’s report. He said there were urgent court deadlines he had to comply with. UKI contacted the panel solicitors but they were unable to act. It took a while for UKI to find solicitors to act for Mr H and in the meantime he had to deal with the court case himself.
- The solicitors then advised on what a reasonable settlement would be, but Mr H didn’t agree to make an offer in line with their advice. So UKI said it would not provide any further cover.
- Mr H then brought this complaint. He said UKI hadn’t explained things clearly, and its delays left him without legal representation.
- Our investigator said UKI had acted fairly, and hadn’t caused any unnecessary delay. Mr H disagrees. 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 must deal with claims promptly and fairly, support a policyholder to make a claim, and not unreasonably reject a claim.

The starting point when deciding whether the claim was dealt with fairly is the policy terms; these set out the terms of the insurance contract agreed between Mr H and UKI.

The policy terms say cover will 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. They can keep this under review as a case progresses.

UKI was providing cover for Mr H until the barrister dealing with the case advised that he didn't have reasonable prospects of success. It's an ongoing requirement for a claim to have prospects of success so, if the legal advice was that it wasn't likely to be successful, UKI was entitled to withdraw cover.

UKI said it would consider reinstating cover if Mr H put forward a reasonable settlement offer to the other side. I appreciate Mr H is unhappy about that approach, but it was considered in his previous complaint and I'm not reconsidering that here.

All I can consider is how UKI dealt with things when Mr H approached it again, saying he had expert advice and wanted solicitors to deal with the Part 36 offer. He says UKI wasn't clear about what he needed to do and delayed taking action, which left him having to deal with the court case for while on his own.

The crux of Mr H's complaint is that he says if he'd been legally represented, the case would have been argued differently and the outcome would have been better. I've considered his arguments carefully but don't think this complaint should be upheld, for the following reasons:

- UKI explained to Mr H that he needed an expert's report which quantified the damage and the value of the claim, so he could use that as a basis for making a Part 36 offer. The previous legal advice had been that Mr H might have prospects of reducing the value of the claim against him, but he needed to put forward a reasonable Part 36 offer.
- UKI directed him to seek legal advice on this and signposted him to where he could get that. That was a matter for the lawyers to deal with. UKI couldn't give him legal advice.
- Mr H has made various points about the legal advice he received and the way the court case was managed. It's not for me to comment on the solicitors' actions or any advice they gave; I can only consider how UKI dealt with the insurance claim.
- From January 2024, when Mr H provided the expert report he'd obtained, UKI took reasonable steps to secure representation for him and contacted various panel firms but they couldn't take the case on. UKI gave him advice on protecting his position and signposted him to where he might get support. I've reviewed what happened between January and June 2024, where UKI was trying to find solicitors to act for Mr H, and can't see any periods where UKI caused unreasonable delay.
- In June 2024, once solicitors had taken on the case, legal advice was given to Mr H about a reasonable offer to make. The solicitors said they couldn't rely on his expert report, as the court had not given permission for it to be used in the proceedings.

- Mr H didn't accept the advice. It was reasonable for UKI say it wouldn't provide cover in those circumstances.
- I appreciate it was very difficult for Mr H, trying to deal with the ongoing court proceedings himself. But I don't think there were unreasonable delays during this period. And I have to bear in mind that, since the legal advice was that his case didn't have reasonable prospects of success, he wasn't entitled to cover. Despite that, UKI went to some lengths to find solicitors who could assist him, in the hope a Part 36 offer could be put forward to protect Mr H and allow cover to be reinstated.
- What amounted to a reasonable offer was, as I've said, a matter for legal advice.
- Even if there were delays by UKI (and for the avoidance of doubt, I don't think there were) the only difference would have been that Mr H had the legal advice sooner – and he didn't accept that advice when it was given. So it wouldn't ultimately have made any difference to the outcome; he would have been in the same position.

### **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 H to accept or reject my decision before 15 April 2026.

Peter Whiteley  
**Ombudsman**