

The complaint

Mr B and Miss L complain that Paymentsshield Ltd gave incorrect advice in a call about their legal expenses insurance cover.

What happened

Mr B and Miss L have a Paymentsshield home insurance policy. Mr B wanted to know if the policy included legal expenses cover so he called Paymentsshield to ask about this. He was told the policy included an 'add-on' for legal expenses insurance, which provided cover for certain types of legal claims. He was transferred through to the provider of the legal expenses cover.

Mr B made a claim on the legal expenses insurance but was later told his claim wouldn't be covered because there was an exclusion in the policy terms which applied to the type of claim he wished to pursue. He complained that he had been misled by Paymentsshield telling him he would be covered.

Our investigator didn't think the complaint should be upheld. She said the call handler gave general information about what cover the policy provided and didn't say Mr B was covered for his specific claim.

Mr B disagrees and has requested an ombudsman's decision. He says:

- the advice he was given was misleading;
- the policy terms say what's covered and he questions why the call handler asked for details of his claim and gave incorrect information;
- the reason he gave details of his claim was to ensure there was no doubt he would be covered.

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.

Although Mr B and Miss L have a Paymentsshield home insurance policy, Paymentsshield doesn't actually provide the insurance. The legal expenses cover is an add-on to their home insurance and the insurer that provides the legal cover is a different business. So Paymentsshield isn't responsible for dealing with legal expenses claims. But if one of its customers asks for information about their policy I'd still expect Paymentsshield to provide accurate information to them.

I've listened to a recording of Mr B's call with Paymentsshield. He said he was calling to check if the policy included legal cover and the call handler confirmed that it did.

Mr B then asked if it was cover for any legal issue. The call handler explained the types of things the policy covered, which included for example personal injury and unfair dismissal claims. She asked him if he needed it for anything in particular and Mr B explained he had an issue with a car dealer about his car.

The call handler confirmed he had legal expenses cover for legal costs up to £100,000 for a legal claim and said she could pass him through to the legal team to discuss it. She explained it was a different firm that provided the legal expenses cover and then transferred the call through to them. Before doing so, she told Mr B they could have a chat with him to see if he could potentially be covered or if not, they could give legal advice anyway for free.

The call handler may have asked for some information about the nature of his dispute to see if it was the type of thing that, in general, the policy might cover. Having listened to the call it's clear the call handler didn't at any point say Mr B would be covered. She said the legal expenses provider would discuss that with him and see if he could "potentially" be covered.

The information she gave wasn't inaccurate nor did she say anything to indicate Mr B would be covered. Indeed she specifically said the legal expenses provider would need to discuss it with him and, if he wasn't covered, they could nevertheless give him some legal advice. I'm satisfied it was made clear to Mr B he would need to speak to the legal expenses provider to find out whether his claim would be covered.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Miss L to accept or reject my decision before 16 October 2023.

Peter Whiteley
Ombudsman