

The complaint

Ms S brings this complaint about UK Insurance Limited (“UKI”) and arbitration related to her family legal protection insurance policy.

Any reference to Ms S or UKI includes respective agents or representatives.

What happened

The background of this complaint is well known between parties. So, I’ll summarise events.

- Ms S made a claim related to breach of contract for buying or hiring services under her family legal protection insurance.
- In December 2022 UKI issued its first final response letter. UKI considered the claim and declined it. It also outlined options for Ms S to pursue if she was unhappy with its outcome. These included referral rights to this Service and an option to escalate the matter to arbitration.
- Ms S elected to use the arbitration option. UKI said it and Ms S would need to agree on who the arbitrator should be. And should there be a dispute, it would be referred to the Chartered Institute of Arbitrators (“CIA”) to decide who should be appointed.
- A back and forth took place and Ms S raised concerns about the timeframe for the matter to move on to arbitration, saying it had delayed matters by several months. She also raised concerns about the choice of arbitrator and said UKI had failed to answer questions about documents relied upon and the credentials of any potential arbitrator.
- In February 2023 UKI said in a follow up final response letter it had taken around a month for Ms S to confirm she would agree to pay costs should she lose at arbitration which had caused a delay.
- Ms S put forward a proposed arbitrator as did UKI. Neither party agreed.
- The matter came to this Service, Ms S seeking compensation for wasted time, delays and distress. As well as requesting this Service nominate an appropriate chartered arbitrator and instruct UKI to change processes around arbitration.
- One of our Investigators looked into things. She didn’t uphold the complaint, saying:
 - UKI had set out its position on the merits of the claim in December 2022. And within its follow up correspondence UKI was clear these matters would be considered within the respective arbitration. So, she didn’t agree UKI had caused any unnecessary delays, and the disagreement regarding the choice of arbitrator would need to be referred to the CIA.
 - The Investigator also highlighted the evidence relied upon in reaching her outcome, including email chains between Ms S and UKI and the policy terms.
- Ms S provided an extensive reply. This covered the subject matter for which the arbitration was sought, how she believes UKI should put things right, concerns about UKI’s selection of arbitrator amongst various other points, and additional evidence

and quotes of the policy terms.

- Ms S has also provided a final response letter from June 2023 that details UKI's position on the arbitration and choice of arbitrator from February 2023 onwards.

So, the matter has been passed to me for an Ombudsman's 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.

Having done so, I'm not upholding this complaint. I'll explain why.

Ms S' submissions to this service are extensive. I don't doubt she has taken significant time to explain why she believes UKI has acted unfairly. My decision may appear relatively succinct given the detail and efforts she's gone to within her submission and replies. This is not my intention but just the nature of the decision I have to make.

My role is to focus on what I consider the crux of the complaint to be which means I will only comment on those things I consider relevant to the decision I need to make.

Firstly, I want to be clear the scope of the decision I am considering. Ms S was given the choice between bringing her complaint about UKI's decision to either this Service or through arbitration. She selected the latter so I will not touch on any of the subject matter that the arbitrator will look at. That is to say I will not discuss whether or not UKI should be covering the insurance claim in question.

The arbitration matter is also ongoing, with the complaint being brought after UKI's February 2023 final response letter. I won't be commenting on events that followed this final response. And any subsequent events or complaints will need to be addressed separately in a follow up complaint.

This means the decision I have to make is very narrow in its nature. And I have to consider if UKI has treated Ms S fairly when referring her to arbitration between the dates of its initial final response on 29 December 2022, and its follow up final response on 1 February 2023.

From my review of all of the correspondence between parties, UKI wrote to Ms S soon after its initial final response outlining the process for arbitration, requesting the points of dispute and confirmation she agreed to pay costs if the arbitration did not decide in her favour. Following this a back and forth took place, but it wasn't until late January 2023 that Ms S confirmed she would agree to pay costs.

While I understand Ms S had many questions to put to UKI – I think it was reasonable for it to not pursue the arbitration until she had agreed to pay these costs. In light of the timeframes around this I'm not persuaded UKI caused any avoidable or unnecessary delays – or at least, not to the extent that I would look to make a compensatory award for.

My final decision

For the above reasons I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 2 October 2023.

Jack Baldry
Ombudsman