**Financial
Ombudsman
Service**

The complaint

Mr A is unhappy with his previous motorbike insurer MCE Insurance Limited as an error of its meant he wasn't insured and he was stopped by the police.

What happened

Mr A had insurance with MCE for his motorbike. But MCE, in error, changed details on Mr A's policy so he wasn't insured. He was stopped by the police in September 2021 which caused him distress and inconvenience. He was also fined. He had two weeks off work.

MCE accepted it had made a mistake. It provided Mr A with a letter to that effect which he could present to the police. It also reimbursed his outlay for the fine and paid £150 compensation. It said it would consider any evidence Mr A presented to it regarding lost earnings. This was all confirmed in its final response letter dated 10 November 2021. Mr A complained to this service.

Our Investigator explained to Mr A that she could only look at what had happened to the date of MCE's 10 November 2021 response. She said that Mr A would need to present his evidence of lost earnings to MCE and if, once it made an offer to him, he remained unhappy, he could make a further complaint. But, regarding compensation for upset, our Investigator said MCE had not paid a fair and reasonable sum. She said it should pay a total of £600, meaning it would have to pay Mr A a further £450.

Mr A said he wanted £1,000 to £5,000 compensation. MCE said it felt £150 was in line with our guidelines – so was fair and reasonable. The complaint was passed 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.

In my view MCE failed Mr A and I think this caused him considerable distress and inconvenience. I know Mr A is unhappy with how the police treated him and I can't look at that. But, even just being stopped by the police is a distressing situation, and a significant inconvenience of itself. There is then everything Mr A had to do to try and resolve the situation. All of which Mr A wouldn't have encountered but for MCE's error. A sum of just £150, in my view, is not fair and reasonable compensation, in all of the circumstances here, for the upset Mr A was caused.

I know Mr A would like at least £1,000 compensation. But I think an award of that magnitude would be unfair and unreasonable in the circumstances here. Awards at that level are usually made where a business's error caused substantial inconvenience over a period of many months. MCE took action to put things right relatively quickly here by writing the letter for Mr A and reimbursing the fine amount. And that mitigated the situation for Mr A. I'm satisfied that £600 in total is fair and reasonable compensation.

Let me be clear. That is just compensation for Mr A's non-financial loss of distress and inconvenience, caused by MCE's initial error of changing Mr A's policy. Like our Investigator I have only taken into account what happened up until 10 November 2021. So if Mr A is unhappy about anything which occurred after that, he'll have to make a new complaint. And I haven't looked at anything to do with Mr A's reported financial loss caused by him being unable to work for two weeks after the incident. I know he sent us his doctor's note regarding that, but MCE hadn't given its final position on the matter; either in its 10 November letter or when Mr A complained to us. So if he isn't happy with any decision MCE makes in respect of his lost earnings, Mr A will have to make a further complaint.

Putting things right

I require MCE to pay Mr A a total of £600 compensation. If £150 of that has already been paid to Mr A, then MCE will only now have to pay him a further £450.

My final decision

I uphold this complaint. I require MCE Insurance Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 22 September 2022.
Fiona Robinson
Ombudsman