

The complaint

Mr F complains about how Mulsanne Insurance Company Limited has handled a claim made on his motor insurance policy. He wants it to settle his claim.

What happened

Mr F's car was stolen, and he made a claim on his policy. He had recently bought the car privately and didn't yet have the V5. There were then delays in the claim because Mulsanne's agent gave Mr F incorrect information on what documents to provide. Mr F called and emailed Mulsanne for updates. But he was told his claim was still being processed. Mr F later borrowed money to buy a replacement car.

After four months, Mr F was told by the police that his car had been recovered, but then that this wasn't his car and it was still stolen. Mulsanne told Mr F that it was likely his claim wouldn't be paid but this was with its underwriter to decide. After a further five months, Mr F passed his police contact details to Mulsanne, but it didn't contact him. Mulsanne saw that theft marker had been removed from the car and it closed the claim. But Mulsanne said the claim investigation wasn't yet completed.

Our Investigator recommended that the complaint should be upheld in part. She thought there was an issue with the ownership of the car. Mulsanne said the police had told it the car had been recovered and returned to its owner, who wasn't Mr F or the car's seller. So she thought it was reasonable for Mulsanne to further investigate the claim.

But she thought Mulsanne should have kept Mr F better updated. And she thought it had caused delays in making a decision about the claim. She thought it should have spoken to the police. So she thought Mulsanne should reopen the claim and review it. And she thought Mulsanne should pay Mr F £550 compensation for the trouble and upset its claim handling had caused him.

Mulsanne agreed to do this. But Mr F remained unhappy that his claim hadn't yet been settled. He asked for his complaint to be reviewed, so it's come to me for a 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.

I can see that concerns have been raised that Mr F may have been the victim of fraud when he bought his car second-hand in a private sale. Mr F thought the car may have been registered incorrectly when it was first sold by a dealer and that this had led to the issues with ownership. It's also unclear whether or not Mr F's car is still recorded as stolen or not.

But I haven't considered that here as Mulsanne's investigation isn't yet completed and it hasn't yet made a decision about the claim. What I have considered is how Mulsanne handled Mr F's claim and how it responded to his complaint.

Mulsanne has a responsibility under the relevant regulations to handle claims promptly and fairly. And, by accepting the Investigator's view about how it handled Mr F's claim, I think it has agreed that it didn't do this on this occasion. I think these failing were:

- It didn't keep Mr F updated about the progress of his claim, leaving him to repeatedly contact it for news.
- It gave Mr F incorrect information about which DVLA documents he should provide in the absence of his V5, causing delay.
- It caused long delays in the claim when it didn't follow-up the information provided, such as the telematics data, and didn't progress the claim proactively.
- It didn't speak to the policeman who told Mr F that his car remained stolen. This may have clarified the status of the claim.
- It closed the claim without providing Mr F with a decision.

When a business makes a mistake, as Mulsanne accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

Mulsanne accepted the Investigator's recommendation that it should reopen and review the claim as soon as possible. I think that would reasonably restore Mr F's position as he has been waiting for an outcome for a long time. Mulsanne's claim handling has had a significant impact on Mr F:

- He has been caused avoidable trouble and upset by having to chase Mulsanne for updates.
- He has been caused frustration by being given incorrect information and by Mulsanne telling him, incorrectly, that it was still waiting for telematics data.
- He was without transport for three weeks until he borrowed money to buy a replacement car that is more expensive to run.
- He has had no contact from Mulsanne since June 2022, leaving him frustrated that he doesn't know what is happening with his claim.

Our Investigator recommended that Mulsanne should pay Mr F £550 compensation for the impact its errors had. I think that's in keeping with the level recommended in our published guidance. And so I'm satisfied that's fair and reasonable.

Putting things right

I require Mulsanne Insurance Company Limited to reopen and review Mr F's claim as soon as possible and pay him £550 compensation for the distress and inconvenience caused by its level of service.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require Mulsanne Insurance Company Limited to carry out the redress set out above, as it's already agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 1 March 2023.

Phillip Berechree
Ombudsman