

The complaint

Ms P and Mr P complain that Mulsanne Insurance Company Limited provided poor service and didn't act in a timely manner when they made a claim on their motor insurance policy.

What happened

In May 2022 whilst driving abroad Ms P and Mr P's car was involved in an accident with another car. They assumed Mulsanne would ensure the car was repaired or written-off before they had to return to the UK in mid-July 2022, but that didn't happen. Meanwhile, they found the lack of communication about the claim to be unacceptable. Although they made a formal complaint, there was no response to it, so they complained to us in September 2022.

One of our investigators reviewed the complaint and issued her view about it in March 2023. At that point, Ms P and Mr P still hadn't been told by Mulsanne when the car was going to be repaired. And they hadn't been given an explanation for the excessive delay in moving the claim forward. The investigator didn't think it had been progressed properly. Although she thought some delays had been caused by the non-UK based claims handler, she said ultimately it was for Mulsanne to ensure the claim's reasonable progression.

The investigator said it should pay £500 compensation for poor service and that it should also treat the car as a total loss and pay Ms P and Mr P for it. They accepted her proposed solution, but Mulsanne said we couldn't require it to go outside the policy's terms and conditions. It said it wouldn't treat a car as a total loss without a recommendation from an engineer. The investigator replied to Mulsanne's comments and added that Ms P and Mr P shouldn't have to pay any storage charges. Mulsanne asked for further time to consider its position. But as it had provided no further information or comments by the due date, the complaint was passed to me for review.

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.

It isn't clear from the limited information provided by Mulsanne why it failed to ensure that the claim wasn't progressed as it should have been from the outset. It didn't attempt to explain the situation even after the investigator upheld Ms P and Mr P's complaint.

In the absence of a valid explanation, I think the service provided by Mulsanne and its agent is very far below the standard a consumer could reasonably expect to receive. I appreciate that in dealing with claims arising outside the UK, there may be complications that make progression more difficult than it would normally be in the UK. But that doesn't explain why it took months for an engineer to inspect the car. Nor does it explain why his report (issued in August 2022) was so poor that Mulsanne's agent couldn't work out whether or not he had decided the car was repairable. And there's nothing to show that immediate efforts were made by Mulsanne to remedy that situation.

The claims notes show that over the next few months Ms P and Mr P had to call repeatedly

for updates. On numerous occasions they couldn't get through to an advisor and had to leave messages. They say that was often after waiting in a queue for an hour or more. The notes show that many of their calls were returned - but if they weren't available, it seems no further effort to contact them was made. The notes show that Mr P complained about calls not being returned, about the ongoing lack of any explanation about what was happening - *and* about the failure of managers to contact him, despite his requests being logged.

Meanwhile, Ms P and Mr P remained without a car and without any idea about when they could expect it to be repaired. In October 2022 Mr P asked for an expected repair completion date – and for his requests to be called by managers to be chased up. He heard nothing further about either issue. But in November 2022 the notes show that one of Mulsanne's advisors queried the delays with its agent and asked for an explanation about what had gone on during the previous five months. The agent was unable to provide one, so the advisor said the query should be raised at a senior level and that a timeline of events was required.

As the notes end at that point, it's not possible to know what happened next. But as Ms P and Mr P weren't given a further update, I think it's reasonable to assume that an explanation and a timeline weren't provided (or chased). There are references in the notes to claims handlers being away on some occasions, and to the garage where repairs were to be done being difficult. But I think that's insufficient to explain such an extensive delay.

I think Mulsanne should have taken much firmer control of the claim once it became apparent that it wasn't being dealt with expeditiously. The attempt by its advisor to do so in November 2022 was too late (and not firm enough) to make a difference. By then Ms P and Mr P had been without the car, without a date for its repair - and without an explanation for the huge delay in progress - for over six months. They'd faced excessive frustration, worry, and upset, as well as a great deal of inconvenience. And there was still no end in sight.

In my opinion Mulsanne should have done far more than it did to move matters on. And I think its communication with Ms P and Mr P was poor, including its failure to ensure a manager contacted them, despite their obvious distress about the situation. Given the impact of the poor service and delay on Ms P and Mr P I think it would be appropriate for Mulsanne to pay them £500 compensation. I also think it would be fair and reasonable for it to treat the car as a total loss and to pay its market value, so Ms P and Mr P are finally able to put the hugely stressful situation they've faced following the incident in May 2022 behind them.

I appreciate that Mulsanne doesn't agree that it should settle the claim on the basis of the car's total loss. But as the investigator has already explained, our role is to make any recommendation that we think is fair and reasonable, having taken into account all the available information. We can require an insurer to depart from the policy terms and from its usual process if we think that's justified – and in my opinion, that certainly applies in this case. I also think it would be fair for Mulsanne to pay interest on the settlement sum. As I think Ms P and Mr P could reasonably have expected the car to have been repaired (or written-off) by the time they returned to the UK, I think the interest should run from then.

Mr P told us recently that he and Ms P have been contacted by the storage company where the car is being held. As it isn't their fault the car is in storage, I think Mulsanne should ensure they aren't required to pay storage charges, which it should deal with.

Finally, when Mulsanne offers a settlement sum to Ms P and Mr P (based on the car's market value immediately before the accident) it will need to explain to them how it arrived at that sum. If it isn't acceptable to them, Ms P and Mr P can make a formal complaint about it to Mulsanne (and if necessary, to us).

My final decision

My final decision is that I uphold this complaint. I require Mulsanne Insurance Company Limited to do the following:

- Pay Ms P and Mr P £500 in total for distress and inconvenience
- Pay Ms P and Mr P the market value for their car immediately before the accident
- Add interest to the settlement sum, at the simple yearly rate of 8%, from 16 July 2022 to the date of settlement
- Deal with any storage charges

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Ms P to accept or reject my decision before 6 July 2023.

Susan Ewins
Ombudsman