

The complaint

Mr M complains Mulsanne Insurance Company Limited (Mulsanne) unfairly dealt with a claim on his motor insurance policy.

Mulsanne are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Mulsanne have accepted it is accountable for the actions of the intermediary, in my view, any reference to Mulsanne includes the actions of the intermediary.

What happened

In March 2022 whilst Mr M was reversing his van into a carpark space there was a collision with a third-party.

Mr M was held liable for the collision. He reported this to Mulsanne but did not make a claim for any damage to his van. He understood Mulsanne would settle the third-party claim for damage to their vehicle.

In September 2022 a court summons was received by Mr M. The summons was in reference to a claim for car hire payment for the third-party involved in the claim from March 2022.

Mr M contacted Mulsanne and it confirmed it had settled the third-party claim. It said it would deal with the summons.

Mr M continued to get letters from the court requesting evidence for defence. He requested evidence from Mulsanne that it was dealing with the case with the courts. Mr M said he had to contact Mulsanne a number of times during September 2022 and October 2022 to try and resolve this issue. He said Mulsanne did not respond to him until 12 November 2022.

As Mr M was not happy with Mulsanne, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said they didn't think Mulsanne had treated Mr M fairly or reasonably. They said Mulsanne could have appointed a solicitor to deal with this claim earlier than it did. They also said Mr M had to chase Mulsanne for responses. They said Mulsanne should pay Mr M £250 compensation for the poor service.

As Mr M is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

What I provisionally decided and why

I saw in September 2022 Mr M contacted Mulsanne's claim representative when he became aware of court proceedings in relation to the claim made on his motor insurance policy. He became aware of this when the summons letter was sent from the third-party insurer to his previous address and was then passed on to him.

I saw evidence that Mr M contacted, by email, Mulsanne's approved claim representatives who had dealt with the claim back in April 2022, as soon as he became aware of the court proceedings issue. I saw he followed up with further emails in September 2022 and also October 2022. In addition to numerous emails Mr M made a number of phone calls to try and resolve the issue.

Mulsanne did not respond to Mr M to confirm it had appointed a solicitor to sort out the issue until 12 November 2022. I saw in the same correspondence it said he should be assured the issue was covered by the policy of insurance and told him if he had received anything else or received anything further he should forward it to the solicitor it had appointed to deal with the issue.

Mulsanne said it appointed a solicitor on 2 November 2022. It said when it settled the third-party claim in July 2022 it was aware the third-party insurer had issues. I saw it accepted it could've appointed a solicitor sooner than it did.

I understand from September 2022 when Mr M became aware of the court summons until November 2022 when Mulsanne's representative confirmed it had appointed a solicitor to deal with the issue, it will have no doubt caused him a lot of stress and worry. Mr M said he was specifically worried about a potential financial impact on his credit rating and the possibility of bailiffs.

I think if Mulsanne had appointed a solicitor when it became aware of the issue in July 2022 it may have avoided the third-party solicitor trying to contact Mr M directly. And if it had acted in September 2022 when Mr M first made it aware of the court summons letters this would have avoided the third-party solicitor continuing to write to Mr M in October 2022 and November 2022.

I am in agreement with our investigator's outcome on this complaint, but I think in addition to a payment for poor service it should also compensate for the distress and inconvenience caused to Mr M.

Therefore, I intend to uphold Mr M's complaint and require Mulsanne to pay him a total of £500 for the poor level of service provided by Mulsanne and for the distress and worry caused to him due to the avoidable delay caused in appointing a solicitor to deal with an issue it had been aware of since July 2022.

Responses to my provisional decision

Mr M responded to say he was happy to accept the provisional decision.

Mulsanne did not reply.

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.

As Mr M accepted my provisional decision and Mulsanne did not reply, I maintain my provisional decision and I uphold Mr M's complaint.

My final decision

For the reasons I have given I uphold this complaint.

I require Mulsanne Insurance Company Limited to pay Mr M a total of £500 for the poor level of service received and the distress and worry caused by the avoidable delays.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 August 2023.

Sally-Ann Harding
Ombudsman