

The complaint

Miss R complains about how Marshmallow Insurance Limited (Marshmallow) handled a claim on her motor insurance policy.

What happened

Miss R had a motor insurance policy with Marshmallow covering her car. She was involved in a collision in early November 2022 and she contacted Marshmallow and made a claim.

The details of what happened are well known to both parties and I won't go through them in detail here. I will briefly say that Marshmallow delayed her claim significantly, with the repairs only being done by the end of March 2023.

She complained to Marshmallow. It upheld her complaint and paid her £175 compensation.

Miss R remained unhappy and brought her complaint to this service. She asks for additional compensation. Our investigator looked into it and upheld it. He thought Marshmallow should pay Miss R a total of £500 compensation because it'd caused her substantial distress and inconvenience.

Miss R didn't agree with the view as she thought that the compensation amount should be higher. Marshmallow agreed with the view.

Because Miss R didn't agree, her complaint has been passed to me to make 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.

From the evidence I've been provided I can see that Miss R's claims experience with Marshmallow was poor. It caused delays at seemingly every step of the process, and it didn't reply to Miss R or pro-actively contact her throughout the process.

I'm upholding Miss R's complaint. But I'm not going to ask Marshmallow to pay more compensation and I'll explain why.

I can see that Miss R has made separate complaints to Marshmallow about its service around injuries she suffered during the collision, some additional damage to her car it refused to consider as part of this claim, about it renewing her policy even though she'd asked it not to, and about the quality of the repairs it carried out.

I'm not able to consider these matters further here because I can't see Marshmallow has issued its final response about them. Miss R should ensure she's complained to Marshmallow about these points, and received its final response, and then she can make an approach to this service in due course if she remains unhappy.

Having read Marshmallow's claims notes, I can see that it delayed the claim significantly.

This seems to have been due to the injuries reported by Miss R and the third-party driver causing her claims for repairs to be put, effectively, on hold.

Claims need to be validated, but the need to do this shouldn't put their own policy holder in a worse position. The repairs to the third-party's car were apparently done within about a month of the collision, but Marshmallow kept Miss R waiting considerably longer and I find this very poor service by Marshmallow.

It took Marshmallow about four months to begin work on Miss R's car because of the delays it caused, and I don't think this is fair.

I can see that Miss R was chasing Marshmallow regularly for updates, but Marshmallow didn't contact her or call her back when it promised.

I've thought about the impact on Miss R from Marshmallow's service. I can see in her communications with Marshmallow that she's suffered distress and some inconvenience over an extended period. Her frustration with Marshmallow's processes is evident.

It's important that I say I can't take into account her frustrations about the other complaints she's made into account. I'm only able to provide this decision about the poor communications and delays about the claim.

I've looked at this service's guidelines for compensation, and I think the amount of £500 for Miss R's distress and inconvenience is appropriate.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint.

I direct Marshmallow Insurance Limited to pay Miss R £500 for her distress and inconvenience from its poor claims service. I'm aware £175 has already been paid, so this can be deducted.

Marshmallow Insurance Limited must pay the amount within 28 days of the date on which we tell it Miss R accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 26 October 2023.

Richard Sowden
Ombudsman