

The complaint

Mr B has complained about the length of time it took Mulsanne Insurance Company Limited to settle his claim following the theft of his vehicle and the problems he had when trying to contact them.

What happened

Mulsanne issued its final response to Mr B's complaint on 22 February 2023 and Mr B confirmed he wanted us to consider his complaint on 8 March 2023. Mulsanne provided its file of papers to us on 11 April 2023. I've assumed from what Mulsanne said when it submitted its file to us that it is happy for us to consider anything that happened up to this date. If Mr B is unhappy with anything that happened after 11 April 2023 he will need to make a new complaint about this. Also, if he wants to complain about anything he hadn't complained about by the time Mulsanne issued its final response he will need to include this as part of his new complaint.

Mr B's vehicle was stolen near the end of October 2022. He submitted a claim to Mulsanne and provided the vehicle keys and the other information Mulsanne required initially, including the purchase receipt for the vehicle. Mulsanne wanted proof of the payment Mr B had made for the vehicle and it wrote to Mr B on 30 March 2022 insisting he provided proof of payment.

By this time Mr B had already complained to Mulsanne about the delay in settling his claim and the problems he was having contacting them. In its final response Mulsanne apologised for the delay and its failure to respond to Mr B's calls and offered him £200 compensation. Although, it is not clear whether Mulsanne actually paid this.

One of our investigators considered Mr B's complaint. She said that Mulsanne should pay Mr B's claim and pay interest at 8% per annum simple on the settlement amount from the date Mulsanne had enough evidence and were in a position to settle Mr B's claim. She also said Mulsanne should pay Mr B £200 compensation for the distress and inconvenience he'd experienced due to the way it had dealt with his claim.

Neither party responded to the investigator's view, although I understand Mulsanne has now settled Mr B's claim.

I issued a provisional decision on 21 September 2023 in which I set out what I'd provisionally decided as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of Mr B's complaint.

And it's clear to me from what Mr B has said and the evidence provided that Mulsanne caused unnecessary delays to Mr B's claim in the period up to the 11 April 2023. They also failed to respond to many of his emails and provided a poor telephone service. Having said this, I can see Mulsanne was investigating the claim and trying to establish that Mr B actually owned the vehicle he was claiming for.

I agree with our investigator that Mr B needs to be compensated for the distress and inconvenience he experienced due to the poor service provided by Mulsanne. I also agree he needs to be compensated for the delay in him receiving the settlement amount due. I think £200 in compensation is enough for the general distress and inconvenience Mr B experienced. This amount is in total; so if Mulsanne has already paid Mr B the £200 it offered in its final response, it will not need to pay him anything else for general distress and inconvenience.

I can see why our investigator thought interest was the right way for Mulsanne to compensate Mr B for the delay in settling his claim, as it would compensate him for being without funds he should have had. But, equally, it's clear if Mr B had got the money for his vehicle earlier he would have used it to clear any finance he had on it or to buy another vehicle. So, while I do often award interest in motor insurance complaints when an insurer takes too long to settle a claim, I also sometimes make an award of £10 per day to compensate the customer for being without a vehicle when they should have had one. Mr B has told us he didn't have another vehicle he could use and had to use public transport instead. So I think a payment of £10 per day is appropriate in this case.

The difficulty is knowing when Mr B's claim would have been settled if Mulsanne had carried out a prompt and efficient claim investigation. Especially, as how quickly it could settle the claim depended to some extent on Mr B providing the information it needed promptly. However, I need to take a view on this to decide the fair and reasonable outcome to this complaint. And I think for a motor theft claim of the nature of Mr B's it shouldn't really have taken Mulsanne longer than 3 months to fully investigate it; even allowing for the fact it needed to obtain information from Mr B and some other parties like the police. So I think it is fair to say Mr B's claim should have been settled by the end of January 2023.

I can only award compensation up to 11 April 2023, which is the period I am considering as part of this complaint. And if Mulsanne paid Mr B the settlement amount before this, it would not be appropriate for him to receive compensation for being without a vehicle for more than a week after this, which would allow him a week to look for and buy another vehicle. But as far as I can see Mulsanne had not paid the settlement amount by 11 April 2023. So I think it is appropriate for me to award £10 per day for a period of 42 days, ie 1 March to 11 April 2023 for Mr B being without a vehicle. This means a further compensation payment of £420 will be due to Mr B.

In summary, for the reasons set out above, I've provisionally decided to uphold Mr B's complaint and make Mulsanne do the following:

- *Pay him £200 in compensation for distress and inconvenience, less what it has already paid him in compensation for this.*
- *Pay Mr B £420 in compensation for being without a vehicle.*

I gave both parties until 5 October 2023 to provide further comments and evidence in response to my provisional decision.

Mulsanne has responded to say it accepts what I've provisionally decided and it has no further comments to make.

Mr B has responded and made the following additional comments. In some of these he has referred to the insurance broker who arranged the policy for him, although it's clear some of the things he has referred to were the actions of Mulsanne or its agents.

1. He's queried why his driving offences weren't checked when he took out his policy.
2. He's reiterated the problems he had communicating with Mulsanne and its representatives. And the impact this had on his mental health.
3. He's asked why the £10 a day awarded for loss of use has been capped at July 2023.
4. He's questioned the value of his vehicle Mulsanne used to settle his claim and why he was only offered 50% of this.
5. He's questioned whether Mulsanne and its agents are fit to provide insurance services.

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 our investigator has already explained to Mr B, points 1, 4 and 5 are not points he raised prior to Mulsanne providing its final response or when he asked us to consider his complaint, so I am not able to comment on them in this decision. If he wants to complain about them we can let Mulsanne know. And Mr B can ask us to consider them if he is not happy when Mulsanne has responded or the time allowed for them to do so has run out.

I don't think it is appropriate for me to comment on point 5. Mr B is entitled to his opinion, but it is not my role to comment on this type of observation.

I have considered the problems Mr B had communicating with Mulsanne and its agents up to 11 April 2023 and addressed this in my provisional decision. I remain satisfied that £200 is sufficient compensation for the distress and inconvenience Mr B experienced as a result of poor communication by Mulsanne and its agents, including their failure to respond to some calls and emails.

I explained in my provisional decision that my award for loss of use is up to 11 April 2023, so I am not sure why Mr B thinks it has been capped at July 2023. And I remain satisfied that the award is appropriate for the period I am considering in this decision, ie the period up to 11 April 2023. If Mr B wants to complain about delays beyond this point and the fact he was without a vehicle, he will need to include this as part of his new complaint.

Putting things right

For the reasons set out above and in my provisional decision, I've decided to uphold Mr B's complaint and make Mulsanne do the following:

- Pay him £200 in compensation for distress and inconvenience, less what it has already paid him in compensation for this.
- Pay Mr B £420 in compensation for being without a vehicle.

My final decision

My final decision is that I uphold Mr B's complaint about Mulsanne Insurance Company limited and order then to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 2 November 2023.

Robert Short
Ombudsman