

The complaint

Mr S has complained about the poor service he received from Mulsanne Insurance Company Limited when he made a claim under his car insurance policy.

All reference to the insurer Mulsanne in my decision include its agents.

What happened

In March 2023 Mr S made a claim to his insurer, Mulsanne following an incident involving another vehicle.

In May 2023 Mr S told us he complained by phone to Mulsanne on 16 March 2023 as he was unhappy that it said it wouldn't defend or deal with his claim. He said he wasn't at fault for the incident. Mr S said he hadn't heard from Mulsanne.

We contacted Mulsanne. It said it hadn't received a complaint from Mr S. It provided some notes from its file.

Our Investigator thought Mulsanne hadn't said it wouldn't deal with the claim as it had arranged repairs for Mr S's car and so thought this may have been a misunderstanding. He didn't think Mulsanne had caused undue delay and explained that when a third party is involved, any delay caused in awaiting a stance on liability from them is outside of Mulsanne's control.

Mr S didn't agree. I issued a provisional decision on 1 December 2023 intending to uphold the complaint and asked for Mulsanne to pay Mr S £350 compensation.

Both parties accepted my provisional decision. So the case has been passed back 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.

As both parties accepted my provisional decision, my final decision is on the same lines.

In my provisional findings I wrote:

'Our Investigator asked Mulsanne to provide call recordings for key calls in March 2023.

Mr S provided us with a copy of his phone record which shows he made calls of around 43 minutes each to Mulsanne on 14 and 20 March 2023. Mr S says he complained to Mulsanne in March 2023 by phone.

Mulsanne's file notes show that Mr S spoke with it on 14 March and 20 March 2023. He reported the incident on 14 March 2023. He discussed whether his claim would be treated as a non fault 'hire' services claim or a claim through his policy on 20 March 2023.

When the Investigator provided proof of Mr S's calls, Mulsanne said the calls terminated before Mr S spoke to Mulsanne. But its notes aren't consistent with this statement.

From the notes of the call from Mr S on 20 March 2023, Mulsanne explained to Mr S that its non-fault service wouldn't be able to deal with the claim - but that it would deal with the claim.

Insurers sometimes offer a 'non fault' service if they believe liability is likely to be agreed immediately on a claim. This means a customer can receive enhanced benefits to what a standard insurance policy offers for a non-fault claim, such as an equivalent replacement car, and without having to make a claim against the policy. However, if a third party doesn't immediately admit fault, a business will usually not proceed with this service, as there is a risk the costs will ultimately be owed by the policyholder.

I have had to make assumptions because of the limited notes provided by Mulsanne, but I have assumed that this service was offered to Mr S on 14 March 2023. But because the third party didn't immediately admit fault, the non-fault service wasn't available and so Mulsanne was to deal with the claim in the usual way under Mr S's policy. It's possible that this was clearly explained to Mr S on 20 March 2023, and there was a misunderstanding. Mr S complains that Mulsanne told him it wouldn't deal or defend his claim. Without the call recording, I have no way of knowing if liability was discussed during this call and what - if any - information Mr S was given for him to have the impression he did by the end of the call.

Mulsanne's notes record that Mr S was unhappy with this outcome and said he was going to speak to his broker. So although Mulsanne says Mr S didn't make a complaint, according to Mr S, he says he raised a complaint about how Mulsanne was dealing with the claim on 16 March (this later was corrected from his phone records to 20 March 2023).

So I think it's possible that Mr S did raise a complaint on 20 March 2023 with Mulsanne.

There is then a gap in Mulsanne's notes (other than a note titled 'general email' on 6 April 2023) until 27 April 2023 where a voicemail message has been left with Mr S. On 28 April 2023 there is a note of call with Mr S to discuss repairs. It's not clear to me why there was such a gap from 20 March 2023 - and what prompted a call to arrange repairs over a month later. In the absence of an explanation, I find Mulsanne seems to be responsible for failing to progress the claim here.

I cannot see that Mulsanne contacted the third party to defend liability until 17 July 2023. This is four months after Mr S reported the incident. So in the absence of any new information, I find Mulsanne has caused undue delay in progressing the claim.

Repairs were booked in for around 8 May 2023. Mr S's MOT expired on 12 May 2023 and he was unhappy that Mulsanne didn't offer assistance with this. I understand Mr S's concern here. He said he was very worried about driving his car after repair to have an MOT carried out, when it had expired.

Ordinarily I would say that this isn't the responsibility of Mulsanne. But because it seems Mulsanne unreasonably caused delays in arranging repairs and progressing the claim, I've taken the added worry and inconvenience of the timing of this event into account.

So I intend to uphold Mr S's complaint. I think Mulsanne caused avoidable delays in the handling of Mr S's claim. It's clear that - contrary to what it told us - Mr S did speak with Mulsanne on 14 and 20 March 2023.'

Putting things right

For the distress and inconvenience caused by Mulsanne, I think it should pay Mr S £350 compensation.

My final decision

My final decision is that I uphold this complaint.

I require Mulsanne Insurance Company Limited to pay Mr S £350 for the distress and inconvenience caused by its poor handling of his claim.

Mulsanne Insurance Company Limited must pay the compensation within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 January 2024.

Geraldine Newbold
Ombudsman