

The complaint

Miss E has complained that Mulsanne Insurance Company Limited (Mulsanne) unfairly declined a claim under a car insurance policy.

What happened

Mulsanne was informed that Miss E's car had been involved in an accident. Mulsanne contacted Miss E because she hadn't told it about the accident. Miss E said her brother, who wasn't named on the policy, had taken the car without her consent and been involved in an accident while driving it. She said her brother had a day policy in place, but that policy was later found to be invalid.

Mulsanne considered the claim and declined it. It said the policy didn't cover the loss in these circumstances because the person who took the vehicle wasn't insured under the policy and was a member of Miss E's family. When Miss E complained, Mulsanne maintained its decision to decline the claim.

So, Miss E complained to this service. Our Investigator didn't uphold the complaint. He said Mulsanne had fairly declined the claim based on the policy wording that applied at the time of the claim.

As Miss E didn't agree, the complaint was referred to me.

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.

Having done so, I don't uphold this complaint. I will explain why.

I'm aware Miss E has referred to the Consumer Duty as part of her complaint. At the time of the claim and the complaint, the Consumer Duty wasn't yet in force. So, I'm unable to consider it as part of this complaint. However, the relevant regulator's rules said that insurers must handle claims promptly and fairly. And that they must not turn down claims unreasonably. So, I've considered the complaint in this context.

Miss E has said Mulsanne incorrectly applied an exclusion. She's provided policy wording that said Mulsanne wouldn't provide cover where a family member was using the car without permission, unless it was reported to the police. Miss E said she had reported her brother to the police, so thinks the exclusion doesn't fairly apply.

I've looked at the policy wording Miss E referred to. I'm satisfied this was policy wording that applied from January 2019. In June 2021, Mulsanne changed the policy wording. Mulsanne has confirmed that policy wording remains in place to date.

The accident happened in April 2023. So, the June 2021 wording is the relevant wording. It said Miss E isn't covered for:

“Loss of or damage to your car where your car is driven or used without your permission by a member of:

- your family or family of any driver covered by this policy;*
- your household or household of any driver covered by this policy; or*
- someone in a close personal relationship with you or any driver covered by this policy unless you report the person to the police for taking your car without your consent and no subsequent statement is made indicating that such a person did in fact have your permission.”*

The policy also says *“The insurer will not cover any injury, loss or damage caused while your car is: Being driven or used by anyone who is not shown on your certificate of motor insurance as entitled to drive”*.

The person using the car at the time of the accident was Miss E’s brother, who I understand also lived with her. He wasn’t named on the policy and Miss E said she hadn’t given permission for him to use the car. Because the policy explained it doesn’t provide cover where the vehicle is driven or used without permission by family or household members, I’m satisfied Mulsanne is acting reasonably when applying this exclusion to decline Miss E’s claim.

The reference to cover being available where it was reported to the police didn’t apply to family or household members in this policy wording. So, Miss E reporting it to the police didn’t mean there was cover under this policy.

Based on everything I’ve seen, I’m satisfied Mulsanne used the correct policy wording when it considered the claim. I think it was reasonable for Mulsanne to decline the claim because the loss was excluded from cover under the terms of the policy. As a result, I don’t uphold this complaint or require Mulsanne to do anything further.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss E to accept or reject my decision before 1 April 2024.

Louise O’Sullivan
Ombudsman