

The complaint

Mr M complains that Mulsanne Insurance Company Limited is responsible for mishandling a claim on his commercial vehicle insurance policy.

What happened

The subject matter of the claim and the complaint is a van, first registered in late April 2019. Mr M was a director of a limited company in the cleaning business. Mr M's company acquired the van from new in 2019, on a finance agreement. That required monthly payments for about four years, including a balloon payment of about £7,000.00 plus VAT in about April 2023.

Mr M says that he closed the limited company in 2022 and became a sole proprietor.

For the year from June 2022, Mr M used a broker to arrange insurance for the van. The policy was branded with the name of an insurance intermediary.

Mulsanne was the insurance company that was responsible for dealing with any claim. Any claim for theft of the van was subject to an excess of £350.00.

Much of the complaint is about acts or omissions of the intermediary on behalf of Mulsanne. Insofar as I hold Mulsanne responsible, I may refer to them as Mulsanne's acts or omissions.

On Monday 6 February 2023, Mr M reported to Mulsanne that someone had stolen the van on Friday 3 February 2023.

By mid-July 2023, Mr M had complained to Mulsanne about delay in dealing with his claim.

By a response dated 12 September 2023, Mulsanne told Mr M of his right to bring his complaint to us.

Mr M brought his complaint to us in mid-September 2023. He asked us to direct Mulsanne to pay compensation as follows:

Time wasted on calls	£ 750.00
Alternative transport	£ 6,070.00
Rental payments	£19,002.08

In late October 2023, Mulsanne told Mr M that it had validated his claim.

Our investigator recommended that the complaint up to 12 September 2023 should be upheld in part. She thought that Mulsanne was responsible for delays. She recommended that Mulsanne should pay Mr M £150.00.

Mr M disagreed with the investigator's opinion. His representative provided further information.

Mulsanne accepted the investigator's opinion. Later, in mid-November 2023, Mulsanne said that the pre-loss value of the van had been £17,374.00.

In answer to the investigator's question, Mulsanne said the following:

"we are happy for you to look and assess the complaint until the end of this claim under this case reference number."

Our investigator expanded her investigation and changed her opinion. She recommended that the complaint up to late November 2023 should be upheld in part. She thought that Mulsanne was responsible for delays. She recommended that Mulsanne should pay Mr M £300.00 in recognition of distress and inconvenience caused during the claim.

Mulsanne accepted the investigator's changed opinion.

Mr M disagreed with the investigator's changed opinion. He asked for an ombudsman to review the complaint. His representative says, in summary, that:

- Mulsanne were asking about the balloon payment. Mr M questioned the relevance of that. Mulsanne chose not to reply.
- Mulsanne had all the information they needed on 17 May and did not do anything with it until 7 September 2023.
- Mulsanne sent a letter to Mr M dated 21 September 2023, containing speculation.
- Mulsanne should reimburse Mr M for the costs spent on a hire vehicle.

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.

Mr M had the optional extra of guaranteed replacement hire van. However Mulsanne wasn't the insurer that was responsible for any claim for that.

I haven't seen any evidence that Mulsanne was responsible for any delays up to 28 February 2023. I accept that Mulsanne could've been more active in March 2023.

I don't consider that it was unreasonable for Mulsanne to ask Mr M about how he had planned to make the balloon payment. However, Mr M asked why this was relevant and I don't condone Mulsanne's failure to explain.

I don't agree that by 17 May 2023, Mulsanne had all the information required to make a decision. Mulsanne had asked its investigators to do further work.

I accept that Mulsanne was responsible for unreasonable delay in the summer of 2023.

I don't condone some of the content of Mulsanne's letter dated 21 September 2023.

I've thought about the finance company's email dated 23 October 2023. I don't consider that it was a comprehensive statement to say that it wasn't expecting Mr M to make the balloon

payment because his company was “*covered by the 1986 Insolvency Act*”. I don’t consider that the finance company’s email shows that Mulsanne’s enquires had been irrelevant.

However, Mulsanne told Mr M on 31 October 2023 that it had validated the claim.

Unfortunately, Mulsanne then took a further four weeks to send a pre-loss valuation.

Overall, I find Mulsanne responsible for delays totalling about two months.

I’ve thought about the impact on Mr M.

I keep in mind that the van was subject to an agreement between the finance company and Mr M’s company. I haven’t seen enough detail or evidence to show that Mulsanne’s delay in settling the claim caused Mr M a financial loss or a loss of opportunity to replace the van.

In any event, I don’t see any basis on which it would be fair to direct Mulsanne to reimburse Mr M for the rental payments his company had agreed to make to the finance company.

As Mulsanne wasn’t responsible for the replacement hire van cover, I don’t find it fair and reasonable to direct Mulsanne to compensate Mr M for cost of alternative transport.

Mr M hasn’t provided enough detail or evidence to show that Mulsanne caused him “mental damage”. Nevertheless I accept that Mulsanne caused him distress and inconvenience.

I accept that he had to make more telephone calls than should’ve been necessary, and sometimes had to wait for Mulsanne to answer his call. However, I don’t agree that it would be fair and reasonable to apply his hourly rate to this.

I note that Mulsanne didn’t issue a final response offering to put things right for Mr M. However, Mulsanne accepted the claim and agreed to the widening of our investigation to include delay after 12 September 2023.

Putting things right

Overall, I conclude that it is fair and reasonable to direct Mulsanne to pay Mr M £300.00 for distress and inconvenience.

My final decision

For the reasons I’ve explained, my final decision is that I uphold this complaint in part. I direct Mulsanne Insurance Company Limited to pay Mr M £300.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 21 May 2024.

Christopher Gilbert

Ombudsman