

The complaint

Mr V is unhappy with the service he received from Mulsanne Insurance Company Limited (Mulsanne) after making a claim under his motor insurance policy.

What happened

In August 2023 Mr V submitted a claim to Mulsanne after a car accident. Mulsanne deemed the vehicle a total loss and Mr V told Mulsanne he wanted to retain the vehicle. Mulsanne arranged for the vehicle to be collected by its salvage agent so a category of total loss could be placed on the vehicle. The car was later returned to Mr V and an inspection was arranged with an engineer.

Mulsanne told Mr V it would be offering a settlement for his vehicle which Mr V accepted. When Mr V received the settlement it was for less than he was expecting and so he contacted Mulsanne to question this. Mulsanne explained it had used the incorrect salvage amount which reduced the settlement due. Mr V was unhappy with the way the claim had been handled and the lower settlement he had received.

Mulsanne considered Mr V's complaint and acknowledged it should have made him aware of the lower settlement value. It offered to pay Mr V the original settlement it had offered. It also acknowledged there had been delays during the claim and offered £100 compensation as an apology. Mr V didn't think this was reasonable and so bought his complaint to this Service.

Our investigator didn't uphold Mr V's complaint. He said he thought the resolution Mulsanne had offered was reasonable to acknowledge the errors it had made. Mr V didn't agree with our investigator. He said £100 compensation wasn't enough to acknowledge the distress and inconvenience he had been caused.

I issued a provisional decision upholding this complaint and I said the following:

'Our investigator has considered this complaint as bought by a limited company. However the policy Mr V holds is a private motor insurance policy in his name, and the vehicle belongs to him rather than a company. Therefore I'm satisfied Mr V is the person whose benefit the contract of insurance was taken out and it was his potential loss Mulsanne were insuring. I've therefore considered whether any errors have been made by Mulsanne, and if so, the impact on Mr V as an individual.

I also want to acknowledge that I've summarised Mr V's complaint in less detail than he has presented it. I've not commented on every point he has raised. Instead I have focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy about this, but it simply reflects the informal nature of this Service. I assure Mr V and Mulsanne that I've read and considered everything that's been provided.

Mulsanne has a responsibility to handle claims promptly, fairly and not to unreasonably reject a claim.

Mr V has said he was caused inconvenience due to Mulsanne arranging a salvage agent to collect his vehicle unnecessarily. Once his car had been deemed a total loss, Mr V contacted Mulsanne to say he was looking to retain his vehicle. Mulsanne told Mr V it would arrange for

a salvage agent to collect the vehicle so it could confirm the category of total loss and calculate the salvage value. However once the vehicle was collected Mulsanne arrange for an engineer to inspect the vehicle and confirm the category of total loss. This could have taken place at Mr V's address, which it later did, meaning there was no need for the vehicle to be collected by the salvage agent.

This caused Mr V inconvenience as he had to arrange for the collection and return of his vehicle unnecessarily. He also spent time emailing Mulsanne trying to arrange the specifics of the inspection around when his vehicle would be leaving the salvage agent and returned to him. This could have been avoided had Mr V's vehicle been left at his address as it should have been. This also caused a delay in Mr V's vehicle being inspected, which in turn delayed the settlement being offered to Mr V. It's right Mr V is compensated for the distress and inconvenience he was caused by this error.

Once the vehicle had been inspected, Mulsanne offered a settlement of just over £3,200 which was accepted by Mr V. Correspondence was sent to confirm the payment had been requested and if authorised, would be received in 3 to 5 working days.

The payment wasn't authorised by Mulsanne as it had made an error when calculating the settlement. It hadn't correctly calculated the salvage it was deducting and so it raised a lower settlement of just over £3,000. However it didn't contact Mr V to make him aware it was raising a lower settlement amount. This meant Mr V had to contact Mulsanne when he received the payment to understand why he had received a lower settlement. Additionally he had to wait longer than he should have done to receive the settlement due to Mulsanne raising the incorrect settlement in the first instance.

This would have caused Mr V unnecessary inconvenience as he had to spend time contacting Mulsanne asking for the payment and to understand why he had received a lower amount than he was told he would. Mr V also experienced a loss of expectation given he was told he would receive a higher settlement than he did.

Mr V has said he was caused inconvenience because he didn't receive a courtesy car during his claim. The terms of Mr V's policy explain a courtesy car will be provided if a repair is taking place at an approved repairer. However there is no provision for a courtesy car under "the policy if the insured vehicle is deemed a total loss. Mr V's vehicle wasn't repaired by an approved repairer prior to it being declared a total loss and so the policy didn't entitle Mr V to a courtesy car. I can't say Mulsanne were unreasonable by not providing a courtesy car to Mr V.

Mulsanne have acknowledged it made an error when raising the lower settlement without making Mr V aware it was doing so. It has paid Mr V the original settlement it had offered him as an apology for the inconvenience caused. I think this is reasonable in the circumstances.

It has also offered Mr V £100 compensation for the distress and inconvenience its delays have caused Mr V. Having considered the overall distress and inconvenience that was caused I don't think this compensation amount reasonably reflects the impact on Mr V.

Mr V didn't only experience a delay in his claim being dealt with. He also had to spend unnecessary time arranging the collection and delivery of his vehicle, contacting Mulsanne to chase the settlement and then understanding why a lower settlement had been received. Additionally he was caused distress and loss of expectation when a lower settlement was received than he was told would be paid. Taking into consideration the overall impact Mulsanne's errors had on Mr V I think it should pay Mr V an additional £150 compensation, bringing the total compensation to £250.

Mr V has provided evidence he says shows he has experienced a loss of reputation and a loss of income as a result of Mulsanne's errors. I have considered this evidence but I don't

think it shows Mr V has experienced a loss of income directly as a result of Mulsanne's errors, nor do I think it demonstrates Mr V has experienced a loss of reputation.'

Mr V accepted my provisional decision. Mulsanne didn't respond to it.

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 neither party has given me anything further to think about, I see no reason to reach a different conclusion to the one I reached before. So I uphold this complaint for the reasons I set out in my provisional decision.

My final decision

For the reasons I've set out above it's my final decision that I uphold Mr V's complaint about Mulsanne Insurance Company Limited. Mulsanne Insurance Company Limited should pay Mr V an additional settlement of £230.64 if it hasn't done so already. It should also pay Mr V a total of £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 3 December 2024.

Andrew Clarke
Ombudsman