

## **The complaint**

Mr D is unhappy with how Marshmallow Insurance Limited dealt with his car insurance claim.

Mr D has been represented by a relative, Mr B.

This complaint involves the actions of agents for whom Marshmallow is responsible. Any reference to Marshmallow includes its agents.

## **What happened**

When Mr D's car was stolen, he made a claim to Marshmallow. The police later recovered the car. Not long after, Mr D left the country for around six weeks and Mr B dealt with the matter for him.

Mr B complained to Marshmallow because he thought the claim was taking too long. He said Marshmallow took around three weeks to collect the car from the police and then took around six weeks to inspect it. He found it difficult to communicate with Marshmallow and its claims agent, and he felt caught in the middle. He also thought Marshmallow took too long to provide Mr D with a courtesy car after he came home, and he thought Marshmallow's communication was poor or non-existent.

Marshmallow looked into the complaint. It said it took a while to collect the car from the police because it was under a police hold, and being kept far away. It said further delays were partly because of confusion around Mr B providing the car's spare key. Even so, it said the car should have been taken to a repairing garage sooner, so it offered Mr D £200 to apologise. It thought it communicated well otherwise.

Mr D didn't think this was fair, so he referred the matter to the Financial Ombudsman. The dispute continued and Mr D was unhappy with how Marshmallow handled the car's repair.

Our investigator looked into the complaint. He said he could only consider events up until Marshmallow's final response letter. He thought Marshmallow had handled the claim poorly and recommended Marshmallow pay a total of £300 of compensation.

Marshmallow accepted our investigator's view. Mr B said Mr D had taken legal action against Marshmallow because of how long things were taking. He said the court had found in Mr D's favour. He provided documents to show that this action was in relation to the repair issues that arose after Marshmallow's final response. He asked us to close the complaint. Mr B got back in touch and said Marshmallow had not paid Mr D his compensation. Our investigator contacted Marshmallow but it didn't respond. So, the case was re-opened and passed to me to make 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.

I'm upholding the complaint for broadly the same reasons as our investigator. I'm requiring Marshmallow to pay the compensation it has agreed to. I've focused my comments on what I think is most relevant. If I haven't commented on a specific point, it's because I don't believe it affects what I consider to be the right outcome.

I can only consider issues raised prior to Marshmallow's final response of 24 November 2023. These issues were claim delays and courtesy car delays. Mr D is also unhappy with issues that arose after Marshmallow's final response. He's taken legal action in relation to these. I haven't considered these issues as part of my decision here.

Having considered the available evidence, I'm persuaded that Marshmallow failed to deal with the claim promptly and fairly. Mr D's car was found on 14 August and it took until 6 September for Marshmallow to recover it. Marshmallow said the car was under police hold but I haven't seen evidence of this. Mr B has provided evidence from the police to say they weren't involved in the release of the car and Marshmallow should contact the yard directly. So, I think it's more likely that Marshmallow could have collected the car sooner.

Marshmallow then took from 6 until 21 September to ask Mr B for the car's spare key. There was significant confusion over where Mr B needed to deliver the key to. He also was being contacted by different companies and it wasn't clear where the car was.

Overall, it took around ten weeks for Marshmallow to collect the car and have its engineers complete a report. I think it could have dealt with the claim much faster and could have communicated more clearly.

Regarding a courtesy car, Mr B asked Marshmallow about this in early October. It said it would only provide a courtesy car if Mr D's car was found to be repairable. But Marshmallow said the car was found to be repairable on 21 September – yet a courtesy car wasn't provided until 9 November. Mr D was out of the country until around 11 October, so I think he should have been provided with a courtesy car sooner. Our investigator asked Mr B for more information about how this delay affected Mr D, and for evidence of any associated financial losses. This information wasn't provided. Even so, Mr D said he had to rely on other people and other forms of transport, which would have been inconvenient and frustrating.

In terms of compensation, I should explain that I can only award compensation for distress and inconvenience caused to Mr D, because he is the policyholder. This is important because Mr B dealt with Marshmallow a lot of the time. He's provided several emails that he sent to Marshmallow and its agents to try to progress the claim. I think Marshmallow did a poor job responding and sometimes didn't respond at all. While this must have been very frustrating and time consuming for Mr B, I can't make an award to him for this.

This is not to say that Mr D has not been affected by what's happened. I think he has. I think Marshmallow's delays would have been upsetting and inconvenient for Mr D, and he was left without a courtesy car for longer than he should have been. For this, I think Marshmallow should pay the £300 our investigator recommended. I think this fairly recognises the impact of Marshmallow's failures on Mr D. So, this is what I award.

### **Putting things right**

To resolve the complaint, Marshmallow must pay Mr D a total of £300 of compensation for distress and inconvenience, to be reduced by any amount it has already paid.

If Mr D accepts my final decision, Marshmallow must pay the compensation within 28 days of us confirming his acceptance. If Marshmallow has not paid by then, it must add 8% simple interest per year to any unpaid amount until it's paid.

**My final decision**

For the reasons set out above, I uphold Mr D's complaint about Marshmallow Insurance Limited and order it to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 3 January 2025.

Chris Woolaway  
**Ombudsman**