

The complaint

Mr A complains that Mulsanne Insurance Company Limited (“Mulsanne”) declined a claim he made on his motor insurance policy following the theft of his vehicle.

What happened

Mr A held a motor insurance policy, underwritten by Mulsanne.

Unfortunately Mr A’s car was stolen from outside his house in September 2023.

Mr A purchased the car from a private seller in August 2022 and paid cash at the time. He says he was given one key and the V5 slip when he purchased the car. Mr A says he also had two forms which both he and the seller signed which confirmed details of the purchase.

Following the theft of his car Mr A made a claim on his insurance policy. Mulsanne declined the claim. Mr A says he was told the decline was due to the fact he paid for the car in cash and so Mulsanne had concerns about the source of funds.

Mr A says he’s brought eight previous cars – seven of which have been purchased with cash, and he’s never had an issue previously. Mr A says Mulsanne don’t accept the signed forms completed on the day of the transaction. But he isn’t sure what other information he could provide given it was a private sale.

Mr A says Mulsanne asked where he got the cash from to enable him to purchase the vehicle. He says he sold a car in March 2022; it was a cash sale and he didn’t put the funds into a bank account. He put approximately another £5,500 towards the cost of the car that was eventually stolen. But Mulsanne don’t accept his explanation.

Mr A says as a result of his claim being declined he wasn’t able to take his child to nursery and has required help from relatives to get around. He says he’s out of pocket now and has three children to support. So, Mr A complained to Mulsanne.

Mulsanne said during the course of validating the claim it asked Mr A where the funds to purchase the car came from and asked for proof of purchase. Mr A explained he had sold his previous car and used those funds towards the purchase of the new car – but initially told Mulsanne he sold the car in the days before purchasing the new one. After Mulsanne queried this Mr A explained the car had been sold the previous April. Mulsanne asked for bank records showing the funds but Mr A explained he didn’t put the proceeds of the sale into the bank.

Mr A sold his previous car to a private seller – and it was a cash sale. So there was no receipt or invoice for the car apart from an informal one between the parties. Mulsanne asked for details for the seller of the car Mr A was claiming for and he provided those. But Mulsanne wasn’t able to contact anyone on that number.

Mulsanne explained that due to the cash sale it had a responsibility under money laundering regulations to satisfy itself Mr A had a financial interest in the car. Since it wasn’t able to

establish where the funds used to purchase the vehicle came from, and therefore was unable to establish whether Mr A had an insurable interest in the vehicle it declined the claim.

Mulsanne also obtained a report for the key Mr A had sent in. It said the fob was an aftermarket product and there was no discernible marking to indicate a manufacture date of the casing. Mulsanne felt there was evidence that there were other keys coded to Mr A's vehicle but these weren't provided. Since Mulsanne weren't satisfied with the evidence provided by Mr A it declined the claim.

Mr A wasn't happy with the response from Mulsanne so he referred his complaint to this service. Our investigator looked into things for him. He said he didn't think the information Mulsanne requested was unusual and is something typically expected from an insurer. The investigator said the onus is on the policyholder to provide accurate information. Since Mulsanne haven't been able to successfully validate the claim he didn't think it acted unfairly or unreasonably in declining it. So the complaint wasn't upheld.

Mr A didn't agree and said he provided all the evidence he was able to. And so the complaint has come to me to decide.

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 can understand that Mr A feels frustrated and disappointed by Mulsanne's decision to decline the claim. I can see the matter leaves him considerably out of pocket. Our approach in cases like this is to consider whether the insurer has acted fairly and reasonably, and in line with the terms and conditions of the policy. I have read the policy terms to understand the cover provided.

Under section three of the policy headed 'Fraud and Misrepresentation of Risk it says, *"if any claim is in any way fraudulent or if you or anyone acting on your behalf has used any fraudulent means, including inflating or exaggerating the claim, or submitting forged or falsified documents, or if you have not given complete or accurate information, then no payment will be made."*

In relying on the condition quoted above the onus falls on Mulsanne to show that it applies. It is important to note that my role here is to think about whether Mulsanne came to a reasonable conclusion in declining Mr A's claim based on its investigation and evidence. And I'm satisfied it came to a fair and reasonable conclusion in this instance.

Mulsanne has provided its claim notes and I can see it has looked into things thoroughly. Where there were inconsistencies in what Mr A said, it raised those concerns, and sought an explanation from Mr A, which I think was reasonable. Mulsanne said Mr A gave different explanations for some of those discrepancies. It said the explanation for where the money came from, the evidence of the sale and purchase of the vehicles, and details such as DVLA code and whether Mr A has access to other vehicles were inconsistent and changed during the course of Mulsanne's investigation. And, based on the evidence I've been provided with, I think Mulsanne assessed the matter fairly and came to a reasonable conclusion since it wasn't able to establish where the funds used to purchase the vehicle came from.

Mr A also provided fabricated documents for the purpose of validating the claim, and gave inconsistent testimony about when his car was sold and why he didn't put the proceeds of

the sale into the bank. He also said he took cash-in-hand construction jobs, and then said he was a delivery driver. So I think it's reasonable for Mulsanne to query this.

Mulsanne raised concerns about the following;

- Sale of previous vehicle and bank withdrawal evidence are six months prior to purchase of car,
- V5 shows vehicle acquired in August 2022 but the invoice provided dated 27/09/2022,
- Mr A provided two DVLA codes so Mulsanne could complete a licence check but both were expired,
- No evidence of exchange of funds provided,
- No evidence of where the remaining funds came from,
- No clear explanation for why the proceeds of sale weren't
- No evidence of messages or contact between the parties before, during, or after the sale.

Mulsanne is entitled to conduct an investigation into the circumstances of the claim and, if it doesn't receive satisfactory evidence proving the claim, it is entitled to make enquiries as it did here. And an insurer will always have to validate a claim before paying any settlement. So I don't think Mulsanne acted unfairly here.

Overall I think Mulsanne assessed the information and came to a fair conclusion to decline the claim. The terms of the policy allow Mulsanne to keep the premiums and decline the claim. So I'm satisfied it acted fairly in taking these steps.

Conclusion

I understand this isn't the outcome Mr A is hoping for. But any decision I make must be both fair and impartial. In this situation Mr A hasn't been able to satisfy Mulsanne of his financial interest in the vehicle, or where the funds to purchase the vehicle came from; together with concerns about the key provided. If he is able to provide Mulsanne with the information it requires then I would expect Mulsanne to assess the claim on the new evidence provided.

My final decision

For the reasons explained I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 January 2025.

Kiran Clair
Ombudsman