

The complaint

Mr L has complained about Marshmallow Insurance Limited. He isn't happy about the level of no claims discount (NCD) he was provided with when he cancelled his motor insurance policy mid-term.

What happened

Mr L took out his motor insurance policy through Marshmallow Insurance and cancelled his policy midway through the policy year. Mr L would like Marshmallow to provide an NCD letter covering the period before he was insured with Marshmallow but it wasn't able to do this.

When Mr L complained to Marshmallow it explained that he hadn't completed a full policy year so it couldn't provide confirmation of his NCD. It explained that as Mr L hadn't provided any proof of NCD to Marshmallow for the period of time before he took out his policy with them and as he hadn't completed a full year it could not provide any NCD confirmation. And he would have to get confirmation of his NCD from his previous insurer. But Mr L still wasn't happy, so he complained to this Service.

Our Investigator looked into things for Mr L, but he didn't uphold his complaint. He thought that Marshmallow hadn't done anything wrong as it wasn't responsible for the NCD Mr L earned with his previous insurer. And as he didn't complete a full year of insurance with Marshmallow it wasn't responsible for confirming his NCD as he hadn't earned it with Marshmallow.

As Mr L didn't agree the matter has been passed to me for review.

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'm not upholding this complaint. I know this will come as a disappointment to Mr L, but I'll explain why.

When Mr L took out his insurance policy with Marshmallow he said he had more than three years NCD. I understand he didn't provide proof of this when he took out the policy with Marshmallow so I don't think it would be able to confirm this for him and it wouldn't be fair for it to do so. I say this as Mr L didn't complete a full year with Marshmallow and Mr L can get his previous insurer to provide proof of his previous NCD. Indeed, it would be misleading for Marshmallow to provide proof of his previous NCD as it hasn't been able to verify this.

I understand Mr L's NCD may be more than two years old but that isn't something Marshmallow is responsible for. Mr L can simply gain his proof of NCD from his previous insurer and use the letter of cancellation from the time he cancelled his policy with Marshmallow and look to see if his new insurer will accept the NCD. However, as Mr L is fully aware, ordinarily an insurer will not accept a NCD if it is over two years old.

My final decision

It follows, for the reasons given above, that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or

reject my decision before 12 April 2025.

Colin Keegan
Ombudsman