

## The complaint

Mr M complained that Mulsanne Insurance Company Limited (“Mulsanne”) unfairly recorded a claim against his motor insurance policy for an accident that occurred when he wasn’t driving.

## What happened

A claim was made to Mulsanne by a third party’s (“TP”) insurer. Mr M said the business settled the claim against his policy. But he wasn’t driving the car when the collision reportedly occurred. Mr M said if the driver is uninsured then the TP should claim through the Motor Insurance Bureau (MIB). He said it wasn’t fair that this incident was recorded against his policy and so he complained.

In its final complaint response Mulsanne said the claim was processed under the Road Traffic Act 1988 (“the act”). It said this is done when the driver is uninsured or when no valid TP coverage is available. The business said it was required to settle the TP claim with regards to its obligations under the act.

Mulsanne explained that the claim had been recorded on the Claims and Underwriting Exchange (“CUE”) database. It said this had been recorded accurately to reflect the circumstances. The business explained that Mr M could choose to pay the TP’s costs. It would then amend the record to show that there was no cost linked to the claim.

Mr M didn’t think Mulsanne had treated him fairly and he referred the matter to our service. Our investigator didn’t uphold his complaint. He said it had been established that it was Mr M’s son who had been driving his car. Our investigator was satisfied the business acted reasonably in these circumstances in accordance with its obligations under the act.

Mr M disagreed and the complaint has now been passed 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.

Having done so I’m not upholding Mr M’s complaint. I’m sorry to disappoint him but I’ll explain why I think my decision is fair.

Mr M doesn’t think Mulsanne should have settled the TP’s claim and recorded this against his policy. This is because he wasn’t driving the vehicle, his son was. I’ve thought carefully about whether it was fair for Mulsanne to handle the TP claim as it did in light of this.

When the TP’s insurer contacted Mulsanne it advised that its policyholder had come to a standstill when Mr M’s car had collided with the rear of its insured’s vehicle. It said the male driver of Mr M’s car refused to share details and drove off. Mr M doesn’t dispute that his son was driving the car when the collision occurred.

Under the act, insurers are required to cover any TP liability arising from the use of an insured vehicle – even if the vehicle is being used by someone that isn't covered under the policy. Mr M's son wasn't covered by his policy when the collision occurred. There's no evidence that Mr M's son had other valid insurance in place at this time either.

If a court judgement was obtained under the act, then in these circumstances Mulsanne would be liable to pay the TP's costs. However, most insurers will look to settle this type of claim before it goes to court. This is so that costs can be minimised.

I've read a letter dated 25 September 2024 that Mulsanne sent to Mr M about the TP's claim. This was nine days after the incident. It explained the circumstances and told Mr M it was a condition of his policy that he reports any incident as soon as possible. It said that if it didn't receive a response within 21 days it would deal with the matter on the best terms. It explained this may include settling the claim that could impact on his no-claims discount (NCD).

A letter dated in March 2025 explained that the claim had now been settled under Mulsanne's obligations under the act. This is because Mr M had allowed an uninsured driver to take charge of his vehicle, and because of his failure to report the incident. The letter explained that Mr M should pay the costs it incurred when settling the TP's claim for £3,523.54. It set out what could happen if he didn't.

There is no dispute that it was Mr M's son who was driving when the collision occurred. This means Mulsanne had to deal with the TP's losses under the act. This isn't something that the TP should have to pursue through the MIB. This is because Mr M's car was insured and being driven by someone who he'd allowed to drive it when the collision occurred. The MIB deals with losses where the driver can't be traced and there is no insurance in place for the vehicle. This isn't what happened here.

When an insurer takes over a claim this will usually involve the policyholder and/or driver signing a consent and indemnity form. This gives discretion to the insurer to decide how to deal with the claim but also gives the right to recover the losses from the policyholder/driver. I asked Mulsanne what was discussed in relation to this point. It said all records of correspondence and discussion with Mr M had been provided already. From what I've read this doesn't show that Mr M formally consented with Mulsanne to give it the right to deal with the claim and to recover its losses.

I've considered what impact this may have had in these circumstances. More specifically whether Mr M would have chosen to defend the TP's claim himself. When considering this point, I've thought about whether he'd have a reasonable prospect of success when defending the claim. But I don't think he would. Mr M's son collided with the rear of the TP's stationary vehicle and then drove off without providing any details. In these circumstances it is unlikely that Mr M would have successfully defended the claim made by the TP. So, although a consent and indemnity form doesn't appear to have been discussed with Mr M - I don't think this had an impact on the outcome here.

Having considered all of this, I don't think Mulsanne acted unreasonably when it decided to settle the TP's claim when it did. From what I've read it's unlikely that anyone other than Mr M's son would be considered responsible for the collision damage. So, Mulsanne didn't act unfairly when it decided to avoid further costs and settle the claim as it was required to under the act. For these reasons I'm not upholding Mr M's complaint and so I can't fairly ask Mulsanne to do anything more.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 December 2025.

Mike Waldron  
**Ombudsman**