

The complaint

Miss F complains about Marshmallow Insurance Limited's ("Marshmallow") decision to decline her claim against her car insurance policy.

What happened

Miss F contacted Marshmallow to make a claim after she says her car was stolen. Marshmallow then closed the claim on the grounds of Miss F's non-cooperation. Miss F then complained about Marshmallow's decision to close her claim and said Marshmallow asked her for information but then continued to change the goalposts and asked for more information. She says she was in a vulnerable situation and felt there was a lack of support from Marshmallow.

Marshmallow responded and explained they had concerns about Miss F's vehicle and claim and were entitled to ask for documents and information to address those concerns. They said nothing they requested was uncommon when handling a theft claim. They explained they'd set out a list of documents and information they needed to consider the claim further, but all information hadn't been provided. They said they'd written to Miss F to explain they would be closing the claim unless they heard back from her – and after receiving no response to the information requested, they closed the claim.

Our investigator looked into things for Miss F. He thought Marshmallow hadn't acted unfairly in how they handled the claim. Miss F disagreed so the matter has come to me for a 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.

Having done so, I've decided not to uphold the complaint. I understand Miss F will be disappointed by this but I'll explain why I have made this decision.

My starting point is Miss F's car insurance policy booklet. This sets out the terms and conditions and, under a heading 'General Conditions', it says, "*If we ask to examine driving licences and vehicle documentation before agreeing to settle a claim under this policy you must supply this documentation before we can proceed with the settlement.*" and "*You must give us whatever cooperation, information and assistance we require in dealing with any claim under this policy. This includes requests from us regarding further information or documentation...Failure to do so could result in the claim being refused...*"

So, the terms and conditions do allow Marshmallow to ask for any information they need to help assess the claim. And more broadly, it's not unusual or uncommon for an insurer to ask questions and request information when dealing with a claim.

The claim notes say Miss F noticed her car was missing on the morning of 23 August 2023 and reported this to Marshmallow the same day. The claim notes say Miss F's car was at her parent's house ready to be collected by a local garage. The information shows Marshmallow

then carried out some validation checks and had concerns about Miss F's car. Marshmallow then emailed Miss F on 24 August and asked for information about Miss F's driving licence.

This was followed by an email on 1 September again asking for information about Miss F's driving licence and information about Miss F's car, photos and proof of purchase and address. Miss F responded on 5 September and provided the crime reference number and also explained she'd experienced difficulties while trying to access the website to obtain her driving licence summary. Marshmallow then sent two chasers for the information they'd requested in their email of 1 September.

Miss F responded on 20 September and provided the driving licence summary and photos. Miss F also provided responses to some of the information requests from Marshmallow. Then on 22 September, Marshmallow requested a copy of the V5 document. They explained this document was an essential part of their verification process. Marshmallow also asked for the remainder of the information originally requested in their email of 1 September. Marshmallow explained they couldn't proceed with the claim without this information.

Miss F responded on 31 October and explained she hadn't yet managed to get the V5 as she required the VIN number and asked Marshmallow if they could provide this. She explained she hadn't been able to deal with Marshmallow's requests as she'd been made homeless but was back at her address now. Marshmallow responded and explained they couldn't provide the details Miss F had asked for unless they received evidence that the car belonged to Miss F by way of a purchase receipt. They said if they could have evidence Miss F purchased the car then they could assist. They also explained they couldn't proceed with the claim until they received all outstanding information they'd requested.

On 19 December, Miss F responded and provided some more information to Marshmallow in response to their requests. Marshmallow responded on 22 December and explained there was still information outstanding from their original list of requests from 1 September, and some of the information provided by Miss F wasn't sufficient. For example, they referred to a document Miss F had provided and had described as being an original bill of sale, but Marshmallow said this was information written on a blank piece of paper. Marshmallow explained they needed proof of payment such as a bank statement showing the transfer of funds. Miss F responded the following day with information about how she paid for the car, why it was parked waiting to be collected by a local garage and the steps Miss F had taken after the car failed its MOT.

Marshmallow responded on 5 January 2024 and explained the onus is on a policyholder to provide evidence to support their claim. They said Miss F had been unable to evidence where or who she'd purchased the car from and unable to provide evidence of payment. Marshmallow said, as things stand, there was no actual evidence of the purchase of the car or of its ownership or condition. They said the only factual evidence they had was from their basic searches which showed the car had failed its MOT with an extensive list of issues and remained uninsured for six months prior to the policy starting. Marshmallow then asked a list of questions relating to the account Miss F had provided in her email of 23 December 2023.

Marshmallow chased for a response on 26 January and explained they needed a response in order to proceed with the claim. Having not received a response, Marshmallow chased on 12 February and explained they would be closing their file in the next 14 days unless Miss F responded. Miss F responded the same day providing replies to the queries raised by Marshmallow. Marshmallow responded on 27 February and explained the replies provided by Miss F weren't sufficient to provide full validation for the claim. They set out the concerns they had and listed the information they required. They explained this information was necessary due to a lack of insurance prior to taking out a policy with Marshmallow, the poor

condition of the car based on the last MOT and lack of documentation to support the claim. Marshmallow then emailed Miss F on 22 May and explained, as they hadn't heard from Miss F for some time, they would be closing their file in the next seven days if they didn't hear back. Having not heard back, Marshmallow closed their file on 26 June.

The first point I've considered is whether it was reasonable for Marshmallow to close their file relating to Miss F's claim. The information shows Marshmallow hadn't received all documents and information they'd requested from Miss F which would assist them to assess the claim. The policy terms and conditions does set out a requirement for Miss F to co-operate and, given that she hadn't provided all information despite repeated requests, I can't say Marshmallow acted unreasonably in closing their file based on non-cooperation. Marshmallow also did provide Miss F with notice of their intention to close their file if she didn't get in contact with them. So, I think Marshmallow gave sufficient opportunity and time for Miss F to provide the information, and they also made it clear what the consequence would be in the event of non-cooperation.

I acknowledge Miss F believes Marshmallow kept changing the goalposts in respect of the information requested, but I'm not persuaded that was the case. I can see the original request was for the driving licence summary only, but this was followed around a week later with a request for additional information. I can't see that Marshmallow suggested in their first email that the driving licence summary was the only information they needed, and it was only a week later that they requested the additional information. The driving licence summary was provided by Miss F, and then Marshmallow requested a copy of the V5. While there wasn't a request for this in the earlier emails, I can't say it was unreasonable for Marshmallow to request this in the circumstances. And, at the time they requested a copy of the V5 they were still awaiting further information from Miss F, so I can't say this created a delay in the claim.

Then, following Miss F's response on 19 December 2023, Marshmallow raised some additional queries. I don't see this as changing the goalposts as these questions were based on concerns Marshmallow had following information provided by Miss F. Then again on 23 December 2023, Miss F provided responses to queries put to her by Marshmallow. This led to Marshmallow raising additional queries, but again I don't see this as changing the goalposts as these queries were based on the further information provided by Miss F.

Looking at the additional queries raised by Marshmallow in their emails of 22 December 2023 and 5 January 2024, I can't say these were unreasonable or unnecessary. It's clear Marshmallow had concerns about the claim and the additional queries they raised related to aspects of the claim relevant to Miss F's purchase of the car, any repairs carried out and issues relating to the failed MOT.

I am sorry to hear about Miss F's personal circumstances and difficulties she experienced in her personal life while the claim was ongoing, but I can't say the information requested by Marshmallow was unreasonable or that they were unnecessarily creating a difficult claims journey for Miss F. The information requested all related to the claim and was relevant to concerns Marshmallow had about the claim circumstances.

It's not unusual or uncommon for insurers to ask a range of questions associated with a claim and I can't say Marshmallow have treated Miss F here in a way which they wouldn't likely treat any other customer when validating a claim – particularly where they have concerns about the circumstances. I acknowledge Miss F believes there has been a lack of support from Marshmallow, but I think they have been clear about what information they needed, why they needed it and why some of the information provided by Miss F wasn't sufficient to validate the claim.

I can see Miss F says she now has some of the information requested by Marshmallow. If that is the case, I would encourage Miss F to send this to Marshmallow to consider whether this assists them in assessing and validating the claim.

I wish to reassure Miss F I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 7 November 2025.

Paviter Dhaddy
Ombudsman