

The complaint

The complainant, Mr A, complains about the way Marshmallow Insurance Limited treated him after he told them about a notification-only incident on his car insurance.

What happened

In July 2025, Mr A contacted Marshmallow by telephone to notify them of an incident where his parked vehicle was hit outside his workplace. He received a notification that this had been set up as a claim, causing him to phone back and use their live chat feature to close the claim. The chat agent requested a Driving Licence Summary to validate Mr A's details and close the claim. Mr A was unhappy with this request but agreed to provide his Driving Licence Summary. In a subsequent chat with Marshmallow, the agent requested proof of occupation to validate the claim and threatened to cancel his policy if he did not cooperate.

Mr A raised a complaint, which Marshmallow partially upheld on the grounds that the chat agent's tone was firm, procedural, and lacked empathy. They did not uphold complaint points relating to the security of the live chat for submitting documents, the refusal to offer a contact telephone number, the additional request for occupation validation and the threat of policy cancellation.

Mr A was unhappy with this response, so he brought his case to the Service. An Investigator concluded that Marshmallow's partial uphold response was reasonable. Mr A was unhappy with that response, so the complaint was brought to an Ombudsman 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.

I am not upholding this complaint, and I'll now explain why.

I note that the claim in question is ongoing with Marshmallow. My decision will focus on the original complaint points Mr A raised, namely that:

- He was threatened with cancellation of the policy for 'non-cooperation'.
- He was asked to submit documents on a system which he believed was insecure.
- An alternative way to submit documents was not provided, nor was a telephone line.
- The new request for employment information, after saying that a Driving Licence Summary was sufficient to validate and close the notification.
- The conduct of the chat agent which left him feeling like a suspect rather than a customer.

Mr A will need to bring any further complaint points to Marshmallow before our Service can consider them as a separate complaint.

Threatened with cancellation

Insurers are entitled to validate a consumer's details at any point in the customer journey, but the failure to request documents to validate Mr A's occupation at the earliest stage contributed to Mr A's negative outcome.

Security concerns

Marshmallow clearly displays its terms and conditions and privacy policy on its website, and I have not seen any evidence that the chat system in question is an insecure method of sharing documents. As Marshmallow's entire business model relies on its online platform, it is reasonable to conclude that it will take reasonable steps to safeguard customer information.

No alternative means to submit documents or telephone line

I can see via the chat logs that Marshmallow did offer Mr A an alternative means of submitting documents – an email address.

Marshmallow does have a 24-hour telephone line that is available for customers to report claims, and it appears that Mr A used this telephone line to report his incident in the first instance. It describes itself as 'online based,' does not escalate chat queries to a telephone line, and is under no obligation to do so.

New request for employment information

Marshmallow have stated that this request to update employment details came after Mr A said he wanted to update his employer. Based on the evidence I have seen, however, it appears that the request for employment details came before Mr A explained he had changed jobs.

I acknowledge that this was a new request for information, and believe that, if Marshmallow had made this request at the outset, it would have improved Mr A's customer experience. However, Marshmallow has the right to update its customer details, and ultimately, I am not persuaded that this request placed an unnecessary burden on Mr A.

Conduct of the chat agent

I note that Marshmallow have upheld this complaint point, concluding that the agent's tone was firm, procedural, and lacked empathy. I agree with this assessment. The chat agent would not have been unreasonable to explain their position in relation to validation of Mr A's details, but their tone was blunt and lacked empathy.

Conclusion

While the chat agent's tone contributed to a negative experience for Mr A, I am not persuaded that Marshmallow's systems and procedures were insecure or their requests for validation unfair.

I sympathise with the difficulties Mr A has faced during what should have been a straightforward notification, but I think that, given the information they were provided, Marshmallow acted reasonably under the circumstances.

My final decision

For the reasons I stated above, I am not upholding this complaint. Marshmallow recognised the issues with the chat agent's tone, and I believe the £100 offered to be fair compensation for the impact caused. Marshmallow should pay this to him if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 March 2026.

Joshua Clement
Ombudsman