

The complaint

Mr B complains that Mulsanne Insurance Company Limited unfairly withdrew a settlement offer for a claim on his motor insurance.

Mr B's policy was sold and administered by an insurance intermediary on Mulsanne's behalf. Mulsanne used another company to handle Mr B's claim. Most of his correspondence has been with the claims handling agent rather than directly with Mulsanne or the intermediary. For the avoidance of doubt, any reference to Mulsanne includes its agents, including the intermediary and the claims handling agent.

Mr B is represented in this matter by his father, but for simplicity I'll refer mainly to Mr B in my decision.

What happened

Mr B had a motor insurance policy with Mulsanne. In January 2025, he crashed his car while driving back to his parents' home after work. He reported this to Mulsanne who appointed its claims handling agent to validate the claim.

On 24 March, Mulsanne wrote to Mr B. It explained that his car was a total loss and it would pay him the car's market value, less the £850 policy excess, to settle the claim. The settlement offer was £4,104 and would be paid within five working days. It asked Mr B to transfer the car's ownership to its salvage agent. Mr B accepted the settlement, gave his bank details, and transferred ownership of the car.

Three days later, Mulsanne wrote to Mr B again. It told him it had "*halted payment on the claim while we continue our investigations and enquiries into the claim.*" Mr B complained that this was unfair. Mulsanne acknowledged "*the lack of communication and the delay in responding to [Mr B's] emails*", apologised for this, and offered him £125. Mr B wasn't satisfied by this and complained to this service.

Our investigator thought the claim should be upheld in part. While she thought Mulsanne's decision to put the settlement on hold until it had completed its investigation was reasonable, she thought its compensation offer was too low. She recommended it pay Mr B £200.

Mr B disagreed with our investigator, so the case was passed to me.

My provisional decision

I issued a provisional decision on this complaint on 9 November 2025. I said:

"I think Mulsanne has handled this claim incredibly poorly, and I intend to uphold the complaint. I think there are four areas where it failed Mr B: the initial investigation, the settlement offer, the interview/investigator report, and ongoing delays settling the claim.

I think the initial investigation was poor and caused unreasonable delays, for the following reasons:

- A risk report – generated by Mr B’s questionnaire – flagged concerns in January. Mulsanne didn’t follow these up with Mr B until 26 February, over a month later.
- Mr B provided further information at the end of February, but Mulsanne told us this wasn’t picked up until 20 March.
- Mulsanne didn’t instruct its investigator until 26 March, two and a half months into the claim.
- An interview wasn’t arranged with Mr B until 16 April, over three months into the claim. The interview wasn’t completed until 30 April.

Mulsanne told us its 24 March offer was “human error” and picked up within two days. I think that’s a pretty major error and I think Mulsanne should have acknowledged this immediately. Instead, it told Mr B that “the payment was cancelled prior to being authorized [sic] due to concerns raised about the... questionnaire you had completed as part of the claim process” and it was continuing its investigation.

I understand why Mr B would have been upset by both the early delays and the settlement offer being withdrawn. This wasn’t a complex claim and he’d submitted the questionnaire within a week of the accident. While I accept that Mulsanne apologised for delays appointing an investigator and arranging a face-to-face interview, I think it would have been better if it had also admitted its mistake in making the offer.

Next, the interview and report. As I’ve said, Mulsanne didn’t appoint its investigator until 26 March. When he arrived to conduct the interview on 16 April, he told Mr B he wouldn’t record it and refused Mr B permission to record it himself. Mulsanne later told Mr B: “...once the interview had started [Mr B’s father] proceeded to start recording the interview without permission being asked from the investigator. The investigator asked for the recording to be stopped as he had no way of recording himself and because there was no agreement on either side for the recording to be taken.” The investigator said Mr B’s father became “hostile”, so he ended the interview.

We asked Mulsanne about this. It told us the investigator’s phone storage was “practically full” so there wasn’t enough memory to record it. The investigator said he’d have “still removed myself from the premises given I was not comfortable with the father’s aggressive approach towards me.”

For the avoidance of doubt, I agree that Mulsanne’s agents should end interviews if they feel threatened or abused. In correspondence with us, Mr B’s father accepted that he “might have overreacted”. Having said that, I understand why Mr B’s father would want the interview recorded and would have been frustrated when the investigator wasn’t prepared for this. I agree with him that this was “unprofessional”. Also, I don’t understand why the investigator refused Mr B’s request to record it. We asked Mulsanne why its investigator refused this and if it was standard procedure for its investigators to record interviews, but it didn’t answer these questions.

Mulsanne didn’t send us a recording of the 30 April video interview, despite us asking for this. But I’ve read both the investigator’s report and the signed statement by Mr B. Having done so, I question some of the report’s findings. For example:

- The report said Mr B “does not reside at the address [Mulsanne] provided”. I think this misrepresents Mr B’s statement. He explained that he lived with his parents “when not working”, but at the time of the accident he was living and working at the address on his policy schedule.
- The investigator found the circumstances of the accident “concerning” because it

happened close to the family home, “on a road that he has no doubt travelled along countless times”. This is at odds with studies that have found most accidents take place close to home. One reason often given for this is that drivers lose concentration or focus on roads they know well. I also note that the accident happened in darkness, in winter. The report doesn’t consider road or weather conditions.

- *The investigator questioned Mr B’s route home because he says it wasn’t the most direct route. But the accident happened less than a mile from Mr B’s family home at the end of about an hour’s journey. I don’t think the road where the accident happened is so far off a direct route as to be suspicious. Also, there’s no evidence the investigator asked Mr B why he took that route. In my opinion, his suggestion that it was “to avoid being pulled over by the police” isn’t justified.*
- *The report says Mr B couldn’t confirm the number he called to report the accident. His car ended upside down. I think Mr B would have been shaken by this, so I can understand why he might not recall the number he used to phone the police four months later. There’s no evidence the investigator asked Mr B to check his call history.*

I find Mr B’s statement straightforward and consistent with the time and location of the accident. He told the investigator he finished work at 9pm. The report says the accident happened at around 10.30pm, corroborated by the timestamp on Mr B’s photo of his car after the accident. The accident was about an hour’s drive from Mr B’s workplace. That’s consistent with him finishing work at 9pm, having a beer, and driving home. He misjudged a bend in darkness on a rural road near his home about an hour later and crashed.

Finally, ongoing delays. When we asked Mulsanne about the status of the claim at the end of October, it told us it was on hold pending the police report.

I understand why Mulsanne might want to review the police report given Mr B said police attended and breathalysed him. But it didn’t ask for this until 14 May, four months after the accident and two weeks after its interview with Mr B. I don’t think that’s acceptable. Mr B told Mulsanne that police had attended when he made the claim. I think it should have asked for the report then.

On 11 July, it told Mr B: “Please rest assured that we are actively following up with the relevant authorities to obtain it as soon as possible.” But its claim notes show it hasn’t chased this since July. A note on the file says the relevant police authority is “experiencing substantial backlogs and have advised us not to chase as this causes further delays...”

I don’t think the lack of a police report is a good enough reason for Mulsanne not settling the claim after nearly ten months. I’m satisfied the circumstances of the accident and Mr B’s statement show it’s unlikely he was over the limit at the time of the accident. If he had been, he’d have been arrested at the scene and most likely prosecuted by now. I don’t think it’s reasonable for Mulsanne to delay the claim any longer. I think it should settle immediately, in line with the remaining policy terms.

I think Mr B summarised the impact of Mulsanne’s failings very well. He told us this has caused “prolonged uncertainty” and “financial and emotional strain”. He explained how not having a car caused significant difficulties when he was trying to find a new job. He eventually had to get a loan to buy a new car in May, over four months into the claim.

He called Mulsanne’s lack of communication “unacceptable”. Again, I agree with him. Mulsanne acknowledged some communication failings in February, but I don’t think this has improved since then. The claim is still open, but Mulsanne has only updated Mr B once since April.

I agree with Mr B that Mulsanne has treated him unfairly. I think its ongoing failings have caused him considerable distress and frustration over the last ten months, and I think it should compensate him for this. I've thought about what this service awards in similar circumstances. Having done so, I think Mulsanne should pay Mr B £500."

Responses to my provisional decision

Both parties accepted my provisional decision. Mulsanne told us it would pay Mr B £375 to make up the £500 compensation award.

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.

As both parties accepted my provisional decision and had no more comments they wanted me to consider, I uphold the complaint for the same reasons set out in my provisional decision. Given the time it's taken to get to this point, Mulsanne should settle the claim as soon as possible, and certainly within 28 days of Mr B confirming he accepts my final decision.

Mulsanne says it has already paid Mr B £125, per its original offer. From the evidence I've seen I think that's right, but if Mr B disagrees he should come back to us and we'll check this with Mulsanne.

My final decision

My final decision is that I uphold the complaint and order Mulsanne Insurance Company Limited to:

- Settle Mr B's claim in line with the remaining policy terms; and
- Pay Mr B £500 to reflect the distress and inconvenience its handling of the matter has caused him.
- If Mulsanne has already paid Mr B £125, it can deduct this from the sum above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 December 2025.

Simon Begley
Ombudsman