

complaint

Ms B complained about Mulsanne Insurance Company Limited's handling of a claim on her car insurance policy.

background

At the end of June 2017, Ms B's car was involved in an accident with another car. She said the other driver was at fault. Ms B called Mulsanne on 26 June and reported the accident. Mulsanne told her that their "credit hire" company could help her with her claim given it was the other driver's fault. Mulsanne also said their lawyers could assist. At that stage Ms B told Mulsanne she didn't want to go ahead with the claim and that she was only notifying them of the accident. Ms B said she wanted to get her own advice first before deciding on how to proceed. Ms B and Mulsanne agreed that Ms B would obtain and supply further details, such as details of witnesses and the other driver's registration number.

After a few days, Ms B gave her brother permission to speak to Mulsanne on her behalf. Her brother called Mulsanne on 29 June and provided further details, including the other car's registration number. He also said that Ms B had decided to go ahead with the claim through Mulsanne. The credit hire company that Mulsanne had asked to help Ms B withdrew their assistance a short while later. Mulsanne then said they could no longer assist with the claim because Ms B only had third party fire and theft (TPFT) insurance that meant she had to deal with the claim herself. Ms B complained, but Mulsanne didn't uphold the complaint.

As Ms B was unhappy with Mulsanne, she complained to our service. One of our adjudicators looked into the complaint. Following his intervention, Mulsanne agreed to assist Ms B by offering the services of their lawyers to help her claim against the third party driver. Our adjudicator issued his written proposed resolution by suggesting Mulsanne pay Ms B £200 compensation for the distress and inconvenience she experienced. He also suggested that after the credit hire company withdrew, Mulsanne should have instructed their lawyers to assist Ms B, so he suggested that they should do that now. Mulsanne accepted our adjudicator's proposed resolution.

When Mulsanne's lawyers became involved, they concluded that she had no prospects of success because her car had been disposed of and there was no longer any evidence of the damage to it. So Ms B said the adjudicator's resolution became redundant, so she rejected it. She said Mulsanne had to now compensate her for the total loss of her car and for the injury to the driver. The complaint has therefore been passed to me to decide.

my findings

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 going to uphold this complaint in part. I'll explain why.

I must decide if Mulsanne have handled the claim in a fair and reasonable way.

I have listened to the calls made by Mrs B and her brother. It's clear to me that Ms B was very unfamiliar with the insurance process and she was clearly confused. The call handlers didn't explain things properly and, in fact, during the very first call the call handler gave the

impression that Mulsanne would pay out in the event the car was, as Ms B suspected, a total loss. The impression given to Ms B was that the credit hire company was part of Mulsanne.

I accept that there was some confusion caused by Ms B when she said she initially didn't want to claim through Mulsanne and that she was getting her own "advice". The confusion was further compounded when Ms B's brother contacted Mulsanne on her behalf from his work email stating after his signature that he was a solicitor. This led Mulsanne to think that she already had a solicitor assisting her in relation to her claim. But that confusion should have been dispelled when Ms B's brother spoke to Mulsanne on 29 June and clarified the situation by saying she wanted to claim through Mulsanne. But the confusion continued.

It might be helpful if I explain that a credit hire company is independent from an insurer. Insurers often offer the services of a credit hire company to their policyholder where they feel the accident is clearly the fault of the third party. The credit hire company then pursues the third party on the policyholder's behalf. We expect insurers to clearly explain this to policyholders. In this case, Mulsanne should have explained to Ms B that as she only had TPFT, they could not pursue the other driver on her behalf, as they would have done had she had fully comprehensive insurance. They should have also explained what the credit hire company's role was and that it was unrelated to Mulsanne.

It's somewhat unclear as to why the credit hire company pulled out from assisting Ms B. But one reason appears to be because they didn't have the registration number of the other driver's car. Although Ms B gave Mulsanne the incorrect registration number when she first called them on 26 June, three days later on 29 June her brother gave Mulsanne the correct one, which should have been passed onto the credit hire company.

It was clear from very early on that there was a lot of confusion, and Ms B said she was confused with the various parties involved and as to what was happening. I think Mulsanne should have explained everything to her clearly, but they didn't. So I'm upholding this complaint in part and I require Mulsanne to pay Ms B £200 compensation for the distress and inconvenience she has experienced.

As she only had TPFT cover, Ms B's policy didn't ever entitle her to any assistance from Mulsanne's lawyers in pursuing her claim against the other driver. But given that Mulsanne had added to the confusion, I was pleased to see that they did ask their lawyers to become involved. At the time of this decision, I received confirmation that Mulsanne's lawyers were assisting Ms B and that they were claiming against the third party driver.

my final decision

For the reasons set out above, I uphold the complaint in part and require Mulsanne Insurance Company Limited to:

- Pay Ms B £200 compensation for her distress and inconvenience. This should be paid within 28 days of us telling them that Ms B has accepted my final decision. If they pay later than this they must also pay interest on that amount from the date of my final decision to the date of payment at a rate of 8% a year simple¹.
- Instruct their lawyers, which they already have, to assist Ms B.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 20 January 2019.

Mehmet Osman
ombudsman

¹ If Mulsanne considers that they are required by HM Revenue & Customs to take off income tax from that interest, they should tell Ms B how much they have taken off. They should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HMRC if appropriate.