

complaint

Mr D complains that MCE Insurance Company Limited delayed in settling his claim on his motorbike insurance policy. He had to phone MCE a number of times to find out what was happening with the claim and had to pay for alternative transport while he was without his scooter.

background

The background to this complaint was set out in my provisional decision, which was issued in February 2016. A copy of the document is attached and forms part of this decision.

MCE replied to say that it accepted my provisional decision.

Mr D replied to say that he didn't agree with the outcome but would accept it.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As both Mr D and MCE accept my provisional findings, there is no reason for me to change the conclusions I reached.

My final decision

My decision is that MCE Insurance Company Limited should pay Mr D for his out-of-pocket expenses and inconvenience, as it has already offered to do:

- £75 for his phone call costs;
- £100 for the delays in settlement; and
- £515 – the equivalent of £5 a day – for the loss of the use of his scooter for 103 days.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 11 April 2016.

Cathy Bovan
ombudsman

copy of provisional decision

complaint

Mr D complains that MCE Insurance Company Limited delayed in settling his claim on his motorbike insurance policy. He had to phone MCE a number of times to find out what was happening with the claim and had to pay for alternative transport while he was without his scooter.

background

Mr D was involved in a traffic accident in mid 2015 which left his scooter a total write-off. His insurer, MCE, settled the claim he made for loss of the scooter at the end of the same year. But this meant that Mr D didn't have the use of his scooter or the means to buy a replacement, for a few months. Mr D used his bike to commute to work and so he had to rely on public transport to get around.

MCE offered to reduce Mr D's excess payment by £50 in recognition of the trouble he'd been put to. But Mr D didn't think that was enough. He'd had to phone MCE a significant number of times from his mobile about his claim, and also had to pay transport costs.

MCE calculated that Mr D had been without the use of his scooter for 103 days and offered to pay him £5 a day in compensation – £515.

Our adjudicator thought MCE should pay Mr D £75 to cover the cost of the phone calls he'd made, and an extra £100 for the inconvenience he'd been caused. She also said that our service would normally recommend an amount of £10 a day for the loss of use of a vehicle and she thought that was fair in Mr D's circumstances.

MCE agreed with the adjudicator's recommendation about the payments for call costs and Mr D's trouble, but it said it thought £5 a day was reasonable for Mr D's loss of the use of his scooter. This was because he'd said that the scooter was used for both him and his partner's commutes to work and he'd estimated that they'd had to pay £1,100 in travel costs between them. Mr D's insurance policy didn't cover his partner or any of their expenses.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

MCE has agreed with the adjudicator's recommendation that it should compensate Mr D for his mobile phone call costs related to this claim, and for the trouble and upset he's been caused through the delay in paying the settlement for his scooter.

I've looked through MCE's concerns about the amount of the daily compensation for Mr D's loss of the use of his scooter, and listened to the call recording of its conversation with him about how much his travel costs have been.

We would generally say a rate of £10 a day would be reasonable compensation for transport expenses caused through the loss of a vehicle, but this would depend on the specific circumstances of the situation.

Mr D told MCE that both he and his partner commuted to work on his scooter. He said it had cost them £1,100 for both of them to use public transport. So MCE believes it would be fair to pay Mr D £5 a day for loss of use, which would be £515.

I agree that MCE shouldn't be responsible for Mr D's partner's travel costs. But I've thought carefully about Mr D's expenses while he didn't have his scooter. I've looked at the costs of Mr D's commute to work, his access to public transport and how he's likely to have had the use of this transport during non-working days for the weekly cost he paid. I've not seen any information or evidence about other necessary travel expenses Mr D had. So in Mr D's particular circumstances, I currently think that an amount of £5 a day fairly compensates Mr D for his actual costs during this time. It's on this point that my provisional findings are different to the adjudicator's.

my provisional decision

My provisional decision is that MCE Insurance Company Limited should pay Mr D for his out-of-pocket expenses and inconvenience, as it has already offered to do:

- £75 for his phone call costs;
- £100 for the delays in settlement; and
- £515 – the equivalent of £5 a day – for the loss of the use of his scooter for 103 days.

Cathy Bovan
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