

The complaint

Mr L complains about how Mulsanne Insurance Company Limited handled his motor insurance claim.

What happened

The details of the claim are well known to both parties, so I won't repeat them again here. Instead, I'll summarise the background and focus on the reasons for my decision.

On 9 January 2021, Mr L reported to the police his car had been stolen. He then lodged a claim under the motor insurance policy he held with Mulsanne. After a report of an abandoned vehicle in February, the police found Mr L's car. However, as this wasn't picked up nor taxed (or registered as SORN), it was clamped and a fine issued to Mr L in June. When this wasn't paid, Mr L's car was impounded and, later, disposed of.

Ultimately, Mulsanne declined the claim for the theft of Mr L's car in line with the terms and conditions of Mr L's policy. It specifically referred to the following points.

- Mr L's failure to pay to the release fees following his car being impounded which led to his car being disposed of and prejudiced their investigation; and
- General condition 3 (the fraud condition) as it believed Mr L had given Mulsanne a false account of the circumstances surrounding the claim.

Mr L didn't agree and said the declined claim has had a significant impact on him and his family. He complained but Mulsanne didn't change its mind, so he brought his complaint to this service. He says the police told him not to pay anything the insurance company or any other company ask for, including fines in his name, as it's not his fault. And he doesn't feel Mulsanne acted normally or professionally when it told him to pick the car up himself after it was found by the police. Mr L doesn't understand how Mulsanne have done this to him – his car was sold without his permission, he's lost his private plates which were on it and he's still responsible for the finance on the car. In relation to the alleged fraud, Mr L says it makes no sense why he'd do this.

An Investigator reviewed matters and thought Mulsanne had acted fairly and reasonably in declining the claim. As Mr L didn't agree, the matter was passed 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.

I recognise I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this and it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I've given careful consideration to all of the submissions made

before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome.

Having done so, I must explain to Mr L I consider the Investigator reached a fair outcome in this matter and I agree with the reasons set out for their outcome. So, I won't be asking Mulsanne to do anything more to put things right. I'll explain why.

The starting point of any claim made under an insurance policy is the contract between the customer and the insurer - the policy document.

Mr L's policy entitles it to decline a claim where it's satisfied there has been a breach of general condition 3, extract below.

'General Condition 3: Fraud and Misrepresentation of Risk

If any claim is in any way fraudulent or if you or anyone acting on your behalf has used any fraudulent means, including inflating or exaggerating the claim, or submitting forged or falsified documents, or if you have not given complete or accurate information, then no payment will be made, all cover under this policy will end and you will lose any premium that you have paid. It is our practice to fully co-operate with the authorities in the detection and prosecution of those involved in fraud.'

Mulsanne had fair and valid concerns about Mr L's claim in light of the following points.

- Mr L's car was stolen the day it's MOT was due and he didn't have an appointment booked for the MOT.
- The previous MOT said there were significant issues with the suspension.
- The police officer who found the car told Mulsanne he had concerns about the claim the vehicle had pre-existing mechanical damage. He said there was an obvious suspension issue as the car was sitting low on its tyres and had dropped.
- There were two separate reports made to the police about Mr L's car being abandoned on the street where it was found. Both reports placed the car there before the date Mr L reported it stolen.
- Mr L didn't tell the finance company or other interested party his car had been stolen, despite being told to do so by Mulsanne.
- Mr L failed to pay the fees to have his car released which meant it was disposed of.

Mulsanne relied on the above to decline Mr L's claim. I'm satisfied it wasn't unfair or unreasonable for Mulsanne to do so. Therefore, I don't consider it'd be appropriate for me to interfere with its decision to refuse Mr L's claim, or to require it to take any other action.

I note Mr L says he didn't pay any fines as the police told him not to. But I can't see any record of this conversation from the police reports or claim notes. Even so, I don't find this plausible. That said, Mulsanne should've been clear with Mr L that he needed to collect his car earlier in the claims process. However, I can see the police told him to collect it on two separate occasions before it was clamped, and he didn't. So, I'm not persuaded Mr L would've done anything differently even if he'd been told sooner by Mulsanne to get his car. I'm also satisfied Mr L had various opportunities to stop his car being impounded and, later, sold. But he failed to do this despite numerous warnings by Mulsanne this would happen and attempts to support him with the release of his car, including arranging appointments and requesting a delay in the date the car was due to be disposed of.

I recognise Mr L will be disappointed with this outcome. But my decision ends what we – in trying to resolve his dispute with Mulsanne – can do for him.

My final decision

My final decision is I don't uphold this complaint against Mulsanne Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 15 February 2024.

Rebecca Ellis
Ombudsman