

The complaint

Mr H complains that Mulsanne Insurance Company Limited ("MICL") has unfairly handled a claim under his motor insurance policy.

What happened

The background of this complaint is well known between parties, so I've summarised events.

- In mid-2022 Mr H was involved in a car accident. He reported this to MICL, and it accepted a claim under the policy.
- MICL says the third-party insurer (Company A) did not respond to its requests. So, the claim was recorded as a "fault claim".
- In October 2022 Company A informed MICL its customer was liable for the incident. A back and forth between insurers ensued.
- Mr H says the fault claim on his record led to him losing his no claims bonus. And when taking insurance out in January 2023 with Company B, he says his premiums went up by approximately £600 as a result of the fault claim, and lack of no claims bonus.
- Sometime after Mr H says he was contacted by MICL who sought to refund his excess and told him the third-party had accepted liability back in October 2022 so it no longer would be recorded as a fault claim. MICL apologised for not informing Mr H of the third party's admission of liability earlier. And it has paid him £150 in compensation to recognise this.
- Mr H brought the complaint to this Service and one of our Investigators looked into what happened. She didn't uphold the complaint, saying the compensation awarded for the delay in informing him of the third party's admission was fair.
- She said MICL had correctly recorded the claim as open, and a fault claim until the matter was closed. And while MICL could've informed Mr H earlier than it did of the third party's admission of liability, this wouldn't have changed things as the matter was not settled until after he'd taken the Company B policy out. So, she suggested he approach Company B to reconsider the premiums charged given his updated circumstances.
- Mr H responded to say his ongoing complaint with MICL was due to it not proactively seeking to close his claim. He said almost a year after liability was agreed, MICL had still recorded his claim as "at fault" on the Claims and Underwriting Exchange ("CUE") database. He said Company B (his current insurer) wouldn't update his policy without a no claims certificate, a letter stating the claim was settled, closed and that the third-party had accepted liability. And that this wasn't possible as there was still an outstanding invoice from Company A. Mr H said this caused him great distress and anxiety due to the increased costs he would likely incur at renewal.
- Since then, Mr H has raised additional concerns about MICL's agents from March 2023 onwards. He says MICL has now cleared the outstanding debt of £135, which he says it should've written off earlier. He said car insurance prices have risen since

January 2023 and that Company B has refused to offer him the prices that were available at that time.

The Investigator considered this, but it didn't change her mind. Mr H disagreed and requested the matter be considered by an Ombudsman, so the matter has been passed to me for a final 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.

Having done so, I'm not upholding this complaint. I'll explain why.

MICL has an obligation under ICOBS to provide its customers with appropriate information on the progress of a claim. In this case, through its own admission, it failed to update Mr H with the details about Company A admitting fault. I can understand why this would be frustrating to Mr H, as he was left uncertain for a prolonged period as to how the matter would be settled. MICL has apologised and paid Mr H £150 compensation for this, which I think was a fair sum in the circumstances for the frustration caused.

Mr H has raised concerns about the impact of MICL's record keeping. It is signed up to CUE, which requires insurers to record any incidents they are aware of and whether they lead to a claim. This allows insurers to share information for various purposes.

There doesn't appear to be a dispute that MICL initially recorded accurate data on the CUE database about the claim. That is to say that following the incident with Mr H's vehicle, the third party didn't take responsibility for what happened. This meant an open claim was left on CUE. I'm satisfied this was correct on MICL's part.

The crux of Mr H's complaint is that delays and inaction on MICL's part meant the claim remained open much longer than it needed to be. And that either through better enforcement of the sum outstanding (£135) from Company A, or by simply writing the sum off, Mr H's claim would've been closed earlier than it was and recording the other party at fault.

I understand Mr H's frustration towards Company A for not settling matters promptly, as this has caused his situation to go on longer than it may have needed to. But from what I've seen, MICL has kept the CUE record accurate. And a commercial decision to write off sums is not Mr H's decision to make even if he felt this was the right step to take. So, I'm not going to direct MICL to do anything further or pay any additional compensation in relation to this.

I understand this has now been paid and the CUE record updated. Mr H has indicated because the sum was less than his compensation (£150) that it should've done this earlier. But the compensation awarded to him was related to updates, not as a result of its record keeping. So, I don't agree the compensatory sum is material to its own decision making nor should've been.

Mr H has indicated Company B has agreed to provide a premium refund, but not to offer him the prices he'd have had available earlier had MICL settled the matter when Company A admitted fault or shortly after. How Company B determines to handle such a request falls to it, and isn't something I would look to hold MICL responsible for.

My final decision

For the above reasons I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 January 2024.

Jack Baldry
Ombudsman