

## **The complaint**

Mr S complains that MCE Insurance Company Limited didn't deal properly with a claim he made on his motorcycle insurance policy after the theft of his bike.

## **What happened**

As the facts are well known to the parties, I won't repeat them here.

## **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 Mr S started a claim for the theft of his bike in 2016 - but withdrew it when the bike was found - I can see why MCE recorded it as 'notification only'. I can also see why, when Mr S took out another policy in 2020, and was asked a clear question about whether he'd made a claim (or had a loss) in the last five years, he said he hadn't. MCE said he'd made a careless misrepresentation, in breach of The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). But I don't think Mr S failed to take reasonable care not to misrepresent the facts. He knew he'd withdrawn the 2016 claim, and that he hadn't suffered any loss. As I don't think Mr S breached CIDRA, I think MCE should pay his claim in full (not just the third of it paid so far) plus interest. I think it should also pay Mr S £100 compensation, given that the partial settlement he got from MCE caused him worry, upset and financial problems.

## **My final decision**

My final decision is that I uphold this complaint. I require MCE Insurance Company Limited to pay Mr S £100 compensation for distress and inconvenience. It should also pay the full amount of his claim. It should add interest to the extra sum to be paid - at the simple yearly rate of 8% - from the date of the initial partial payment to Mr S to the date of settlement. If MCE thinks it's required by HM Revenue and Customs to withhold income tax from the interest, it should tell Mr S how much it has taken off. It should also provide a tax deduction certificate if required, so he can reclaim the tax if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 September 2021.

Susan Ewins  
**Ombudsman**