

## **The complaint**

Mr K complains about the customer service received from MCE Insurance Limited (“MCE”) after he reported an accident involving his motorcycle.

## **What happened**

Mr K was involved in an accident where the front wheel of his motorcycle hit a pothole. Mr K says he reported this to MCE and they recommended his claim be passed to a firm of solicitors – who I’ll refer to as company F. Mr K says he agreed as he wanted the claim to be brought to the attention of the relevant Council to prevent any further accidents. Mr K says he received no contact for four months despite chasing MCE and company F. Mr K complained to MCE about the lack of updates.

MCE responded and explained, as Mr K is comprehensively insured, he has the option to claim from his own policy for the damage to his motorcycle and MCE would manage this on his behalf. MCE said, if Mr K isn’t claiming against his policy, then all they needed to do would be to record that an accident had taken place. MCE said, Mr K didn’t feel he was at fault, so they informed him he could claim against his policy or pursue a claim against the Council. And, as Mr K wished to claim against the Council, they referred the claim to company F. MCE explained they aren’t responsible for any errors by company F as they are a separate company. MCE did accept there had been an error by them when an agent had told Mr K they couldn’t log a complaint on his behalf. MCE explained this wasn’t correct and a complaint should’ve been recorded and dealt with in line with MCE’s complaints process. MCE apologised and offered £100 compensation. MCE said, if Mr K wishes to claim under his policy, he should let them know and they would instruct the insurer to begin processing a claim.

Our investigator looked into things for Mr K. He thought MCE weren’t responsible for any delays and lack of updates in relation to the claim. And, he thought the £100 offered by MCE was reasonable for the complaint issue. Mr K disagreed so the matter has come 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.

Having done so, I’ve decided MCE’s offer is a fair way to resolve matters. I understand Mr K will be disappointed by this but I’ll explain why I have made this decision.

There’s no dispute here that Mr K was given the option of claiming against his policy or pursuing a claim against the Council. And, Mr K chose to pursue a claim against the Council. MCE then referred the case to company F. Such arrangements aren’t unusual in cases where a customer tells their insurance broker they weren’t at fault.

In this case, there wasn’t another vehicle involved and, according to Mr K, the presence of the pothole caused the accident. So, I don’t think it was unreasonable for MCE to suggest a referral to company F as one of the options available to Mr K.

It's clear Mr K is frustrated at receiving no updates but it's important to note MCE's involvement and responsibility here. Once the referral is made, I don't think it's MCE's responsibility to progress the claim against the Council and keep Mr K updated. I can't see anywhere in the terms and conditions it says MCE will be responsible for keeping Mr K updated after a referral is made. It would have been MCE's responsibility for dealing with the repairs to Mr K's motorcycle and keeping him updated had Mr K chosen to claim against his policy – but Mr K didn't choose this option. So, I don't think MCE have acted unreasonably as I can't say they were responsible to keep Mr K updated on progress.

Mr K says, as a paying customer of MCE, his contractual relationship is with MCE and not company F. And, he says, while company F are a separate company, they are still an agent of MCE. I accept the referral has been made through MCE but that doesn't then make them responsible for any errors on the part of company F. I do understand why Mr K feels company F are MCE's agent, but once a referral has been made it's likely a separate customer relationship then exists between Mr K and company F. It's different where a claim is made against a policy and an insurer instructs an agent to look at damage to a vehicle. In those cases, there might well be an argument for saying the insurer should be held responsible for any errors by that agent who has been instructed by them. But in this case, this isn't a claim against the policy and Mr K's case has been referred to a completely separate company to handle a litigation claim.

I understand Mr K is concerned about what he feels is a lack of information from MCE to allow him to make an informed decision. He feels MCE should've told him that choosing company F might mean a year long delay without any communication pathway into MCE or company F. Mr K says, because of this, MCE haven't treated him fairly. I can understand why Mr K is upset by the events which have occurred but I can't say there has been an error by MCE here. I haven't seen any information which shows MCE would have been aware there was likely to be delays in progressing Mr K's claim or that company F wouldn't have kept him updated. As mentioned above, MCE's involvement ended at the point they referred the claim. MCE say a referral was sent to company F the same day Mr K reported the accident. I can see MCE, when responding to Mr K's complaints, do again offer him the option of pursuing a claim against his policy – and I can't see Mr K has asked MCE to do this. So, I can't say MCE have been unreasonable here.

I can see Mr K says he hasn't received the £100 offered by MCE. He says this is for incorrect information given to him during one call but doesn't reflect the impact on him of having to make multiple calls over several months. He says he was told MCE couldn't assist or disconnected after being on hold. I do understand Mr K's frustration at what he perceives as a lack of interest and concern shown by MCE. But, I don't think MCE were being unhelpful here. They have explained, given that Mr K wasn't making a claim against his policy, they only needed to record that an accident had taken place. So, I can't see MCE would've had any updates for Mr K as the case was with company F.

I can't see we have obtained a record of the calls Mr K has made to MCE but I don't doubt he has made several calls to find out what was happening. I do recognise it will have been frustrating if calls were disconnected after being on hold or whilst trying to transfer Mr K to company F. But, I can't say MCE have deliberately disconnected calls. And, even if those calls had been answered by MCE, I can't say they would've been in a position to provide an update to Mr K as they weren't handling his claim.

MCE do accept they got things wrong when Mr K wanted to raise a complaint about their service and was told they couldn't record a complaint for him. I think it's right that MCE

compensate Mr K and I think the £100 they have offered is fair and reasonable in the circumstances. Mr K was left frustrated at not being able to raise a complaint at the time. And, while this is an error by MCE, I can't see this has had a wider impact. I say this because Mr K's complaints were later logged and his complaints were addressed about three months after he was told MCE couldn't record a complaint for him. So, I think the impact on Mr K was over a limited period of time.

### **My final decision**

MCE Insurance Limited has already made an offer to pay £100 compensation to Mr K to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that MCE Insurance Limited should pay Mr K £100, if they haven't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 17 August 2021.

Paviter Dhaddy  
**Ombudsman**