

The complaint

Mr P complains about Mulsanne Insurance Company Limited's (Mulsanne) refusal to indemnify him for losses he incurred when driving his father's car, under his motor insurance policy.

All references to Mulsanne include its agents.

What happened

Mr P was driving his father's car when he was involved in an accident. He made a claim to Mulsanne as he believed he was covered to drive other vehicles under his policy on a third-party basis. Mr P says he was told over the phone that he was covered. However, several months after the accident he received court documentation advising the third-party's insurer was pursuing him for the costs incurred in repairing the other car.

Mr P says that when he contacted Mulsanne he was told he wasn't covered to drive his father's car. He says he has incurred solicitor's fees, that he would like Mulsanne to pay in addition to confirming he was covered to drive his father's car on a third-party basis.

In its complaint response dated 16 December 2022 Mulsanne responded to concerns raised about the level of service it had provided. It didn't uphold Mr P's complaint. It says there was some initial difficulty obtaining the correct vehicle registration. But this was quickly resolved. It says that due to the nature of the accident the third-party insurer would be dealing with the claim.

Mr P contacted our service in June 2023. We contacted Mulsanne to query whether it had responded to the other issues Mr P had highlighted, and that it provided consent for us to consider the matter. It responded to say it hadn't investigated a complaint about policy terms and conditions or court documents. However, Mulsanne says its legal department has now reviewed this information. It concluded that Mr P didn't have cover in place at the time the accident took place on 13 October 2022 and confirmed we should continue with our investigations.

Our investigator says we can't look at anything the court is considering, but we can consider Mr P's loss, which is the damage to his father's car. She upheld Mr P's complaint in part. She says the call recordings he provided show Mulsanne's agents had told him he was covered at the time of the accident. But this wasn't accurate. Because of this error she says Mulsanne should pay him £150 compensation for the distress this caused.

Our investigator found that Mr P didn't have cover to drive other cars until a mid-term adjustment was made after the accident on 21 October 2022. As no cover was in place prior to this, she didn't think Mulsanne had treated Mr P unfairly.

Mr P disagreed with this outcome. He says he made sure he had cover to drive other vehicles. And that he wouldn't have driven his father's car without knowing he was insured. Mr P says this was confirmed over the phone to him before he took out his policy.

Mulsanne accepted our investigator's findings, but Mr P asked for an ombudsman to consider the matter.

It has been passed to me to decide.

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 upholding Mr P's complaint in part. I won't be adding to the outcome our investigator proposed. I understand this will come as a disappointment to Mr P. But I'll explain why I think my decision is fair.

Mulsanne didn't initially provide a response to Mr P's complaint involving the declined claim. But it has since confirmed its position and authorised our service to investigate. So, I'm satisfied under the Financial Conduct Authority (FCA) dispute resolution, or DISP, rules that I'm able to consider Mr P's full complaint here, including the decline decision.

I've read Mr P's policy terms and conditions along with his certificate of motor insurance and his policy schedule. The certificate says:

"5. Persons or classes of persons entitled to drive:

The Policyholder only to drive. Provided the driver has a valid licence to drive and is not disqualified from driving."

The Insurance Product Information Document (IPID) says:

"Are there any restrictions on cover?

Driving other cars

Cover for driving other private cars is third party cover only.

Driving other private cars cover is for the policyholder only and only if your motor certificate confirms you have this cover"

Mr P's certificate of motor insurance covers the period 1 December 2021 up to 30 November 2022. The accident he was involved in occurred on 13 October. The certificate in force at this time doesn't say he can drive other cars.

A second certificate of insurance has been provided. This was in force for the period 21 October 2022 up to 30 November. Section five of the certificate confirms Mr P may drive other cars. However, this cover wasn't instructed to be put in force until just over a week after the accident occurred.

The claim records show a mid-term adjustment was made to the policy on 21 October 2022. This is why the second insurance certificate was produced. I can see that Mulsanne emailed Mr P on 18 April 2023 to say that "*driving other cars*" (DOC) cover wasn't in place when his accident occurred. In this email it says it's unable to assist further.

Based on this evidence Mr P wasn't covered to drive his father's car at the time of the accident.

I've listened to the calls Mr P made to Mulsanne's agents in 2023. He's told by several

different agents that he was covered to drive other cars. On several occasions Mr P asks for clarity that this was for the full period of his policy. The agents reply “yes”. However, the evidence shows that Mr P didn’t have cover for driving other cars at the time of his accident. It’s not clear why the agents didn’t recognise this. But I’m satisfied the evidence shows no cover was in place until the mid-term adjustment was made a week after the accident.

Mr P says he didn’t receive his motor insurance certificate, and this wasn’t showing on the online portal. I acknowledge what he says, but his policy was put in force in December 2021. I’d expect a reasonable person to contact Mulsanne to request this information if it hadn’t been received and wasn’t available on its portal. Mr P didn’t make his claim until around ten months after his policy inception. This gave him a reasonable opportunity to contact the business if he hadn’t had sight of his policy documentation.

I’ve thought about Mr P’s comments that he spoke with an agent before taking out his policy. And that he was told he was covered to drive other cars. No call recordings or other records to support this point were initially provided. I asked Mr P to clarify when this call took place and from what phone number, so I could ask Mulsanne if it had a call recording or other records to show what was discussed. Mr P provided this information, which we communicated to the business.

In its response Mulsanne says the calls in question were to the broker Mr P used when taking out his policy. It contacted this broker to see if any calls were recorded and still available. It was able to provide a number of calls from 2023. But no calls were available from when the policy was taken out in 2021. I’ve listened to these calls. But they don’t reveal anything further about what Mr P was told when the policy inception. Although I note that during a call on 20 April 2023 Mr P explains that he’d made a change to the policy after the accident. He says this is when he added his father to his cover.

Having considered all of this, although I’m sorry Mr P has suffered an uninsured loss, I don’t think Mulsanne treated him unfairly when relying on its policy terms to decline his claim. Its agents should’ve provided accurate information regarding the cover in place at the time of his accident. Because of this error and the distress this caused, Mulsanne should pay Mr P £150 compensation. But it hasn’t been shown that he had cover to drive other cars at the time of the accident, so I can’t fairly ask the business to do more.

My final decision

My final decision is that I uphold this complaint in part. Mulsanne Insurance Company Limited should:

- pay Mr P £150 compensation for the distress it caused him.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr P to accept or reject my decision before 26 February 2024.

Mike Waldron
Ombudsman