

## **complaint**

Mr H says MCE Insurance Company Limited didn't contact him regularly and failed to pay him enough when he made a claim on his motorcycle insurance policy.

## **background**

Mr H's bike was stolen on 8 November 2017. The claim was validated by mid-December, but a valuation report wasn't sought until 29 December 2017. Mr H didn't get a settlement offer until 20 February 2018.

In the meantime, MCE couldn't get a valuation from one of the trade guides it uses. Then, MCE realised on 8 February 2018 that Mr H's proof of no claims discount ("NCD") hadn't been checked. Mr H's representative – "Ms R" – sent it in by 19 February 2018. MCE also faced technical problems. And an advisor called Mr H to tell him in error that his claim wasn't covered. MCE said it faced 'down time' in December 2017 and January 2018. Mr H became frustrated with its lack of regular contact and delays. MCE later deducted £50 from his policy excess to make up for its system issues. That was after it made its valuation offer – which he didn't accept. And Mr H wanted payment for items stolen with the bike.

Our investigator thought the valuation MCE got for the bike was correct, so the settlement offer was fair. She noted that the items Mr H lost with the bike weren't covered unless there'd been an accident. But she didn't think the reduction of £50 on the policy excess was enough to make up for MCE's poor service. In her view, the delays, the lack of regular contact and the call about the claim being declined merited further compensation of £250.

MCE said its advisor had noted his error during the call and corrected it. It said our guidance says we'll ensure a consumer isn't out of pocket. The call didn't put Mr H out of pocket. Some delay was caused because Mr H couldn't provide evidence of his NCD. And the settlement offer was accepted and then rejected, so that caused a delay as well. The claim was only delayed slightly by MCE – partly by the fact that Mr H made a complaint. And the systems issues were addressed fairly by the £50 deduction.

As there was no agreement, the complaint was passed to me for review.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I agree that the settlement sum offered was fair. And the policy only covered the items stolen with the bike if they were damaged in an accident. I think it was fair for MCE to decline that part of the claim. What I have to consider is the overall service MCE provided to Mr H. That includes the time taken to deal with the claim.

I can only base my opinion on the information that's been provided by Mr H and MCE. MCE accepts it caused delays in December 2017 and again in January 2018. Mr H was told on 16 January 2018 that the valuation was in hand. But three weeks later when he put in his complaint, he'd heard nothing further about it. I appreciate that MCE had technical problems. But Mr H suffered as a result of them. And as far as I can see, it didn't update him regularly about what was going on.

It seems the issue with the NCD proof also slowed down the process. MCE hasn't fully explained why that was the case. But in any event, it's usual for insurers to ask for proof of NCD around the time a policy starts. It seems that may have been overlooked in this case. Had it been done at the start, it wouldn't have caused a delay with the claim. So I don't think it's fair to blame Mr H for the delay arising from this issue.

I can't see why the complaints process slowed down the claims handling. MCE says it had problems contacting Mr H, who was 'unreachable' at times. But it looks as though it had all his details – *plus* those for Ms R. It isn't clear what the extent of the difficulty was. From the file notes, it doesn't look as though Mr H was advised he could accept MCE's offer as an interim settlement, despite his complaint being ongoing.

We award compensation for actual loss and to make up for the trouble and upset a consumer has faced that was caused by a business. Although Mr H may not have been out of pocket as a result of some of MCE's actions, he was still adversely affected by them.

The call in which he was given the wrong information caused Mr H some upset. Although the advisor corrected what he'd said quickly, the first part of the call still came as a shock to Mr H. It didn't increase his confidence in MCE. He was already frustrated (as was Miss R) by MCE's ongoing lack of contact. He had to chase it to check what was going on. The claim had dragged on for three months before he made a complaint. I think he was entitled to expect updates during that time. That's good practice, even if there's nothing to report.

MCE made a small positive gesture to Mr H by reducing the policy excess. But I don't think that's enough to make up for the frustration he faced as a result of the delay in getting an offer for his bike and the lack of updates from MCE. In my opinion, it isn't unreasonable to require it to pay Mr H £250 compensation to reflect the trouble and upset he experienced.

### **my final decision**

My final decision is that I uphold this complaint in part. I require MCE Insurance Company Limited to pay Mr H £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 October 2018.

Susan Ewins  
**ombudsman**