

complaint

Mr G's complained about the service he received from MCE Insurance Company Limited when he claimed under his motorcycle insurance policy. His mother, Mrs G is representing him in his complaint.

background

Mr G bought a motorbike policy with MCE in November 2015. He sold his bike and bought a newer one in December 2015 and told MCE. Mr G's bike was later damaged and he made a claim to MCE.

Mr G's mother helped him to make a number of complaints to MCE. He was unhappy with MCE's decision not to deal with his claim, how poor its service was to him including failure to get updates, explain what his new premium breakdown was, and to speak to, or get a call back from MCE.

Our adjudicator investigated Mr G's complaint and made a number of recommendations which MCE accepted. These were:

- To refund the interest Mr G paid on his revised monthly premium when he changed his bike as MCE failed to explain the revised costs to him. His monthly premium was much more than he was told when he called MCE as it didn't explain the interest repayments.
- Pay Mr G £100 compensation for the trouble and upset this failure caused him.
- To put Mr G back in the original position he would be in when he first claimed for damage to his bike. MCE were to explain to Mr G's mother the options in making a claim from afresh.
- MCE were to clearly explain to Mrs G the option of making a claim against a third party – in this case a local Council – as Mr G said his bike was damaged by a pot hole.
- MCE were to bear the costs of the solicitors already instructed. They were instructed on a 'no win no fee' basis.

The adjudicator explained that Mr G had asked for MCE to discuss the claim with his mother.

MCE then called Mr G directly and explained the claims process. Mrs G contacted us again in September to complain about the following:

- MCE failed to contact her instead of Mr G as requested. MCE failed to call her back when she contacted it afterward to discuss the claim.
- MCE has caused further confusion by now telling her it can't carry out all of the proposals it agreed to with our adjudicator: MCE will not pursue a third party on Mr G's behalf under the policy if he wishes to claim against the local Council. He will need to instruct a representative himself.

The adjudicator listened to MCE's call with Mr G in July and reviewed Mrs G's timeline of events since. He felt MCE had caused further confusion and increased the trouble and upset it had already caused Mr G by failing to follow up what was agreed in July 2016. As Mr G asked us to review his complaint again, the adjudicator recommended the following:

- Pay Mr G £10 a day for loss of use of his motorbike for 43 days.

- MCE to reimburse Mr G for additional travel costs he incurred of £70.
- Pay Mr G a further £500 compensation for the length of time it has taken to resolve the matter, which is still ongoing. Mr and Mrs G have spent several hours dealing with MCE. MCE has provided conflicting information which has meant the complaint still hasn't been resolved.

MCE wants an ombudsman to decide. It wants us to clarify why we've recommended it pays both £70 for additional travel costs, and £10 a day for loss of use. It believes it should be one or the other, not both. And while it agrees it caused Mr G and his mother further trouble and upset, it feels £200 is a more reasonable compensation sum.

Mrs G on Mr G's behalf accepted the adjudicator's recommendations – subject to MCE confirming his NCB wouldn't be affected as he no longer wishes to claim under the policy.

So the matter has been passed to me to decide.

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 don't intend to go into the level of detail the adjudicator has already set out in his views: suffice to say I agree that the level of service Mr G received from MCE has been very poor since he first contacted them last year. He and his mother have repeatedly had to contact MCE for information which MCE should have provided in a clear and timely manner: from the revised premium it charged Mr G when he changed his bike to the ongoing confusion as to what it will and will not cover under his motorbike insurance policy. He was told that MCE wouldn't deal with his claim because he was dually insured – but MCE later changed its mind.

In July 2016 the adjudicator set out that MCE should discuss the claim with Mrs G. MCE agreed to the adjudicator's recommendations. So it paid Mr G £100 compensation and covered the costs of the original solicitor instructed when Mr G first claimed. MCE refunded Mr G with the difference he paid in interest when his premium increased when he told it he'd changed his bike.

MCE said it would need to get Mr G's consent to discuss the claim, as it only had his consent to discuss the complaint. But instead its agent called Mr G and began to discuss the claim with him. MCE says that Mr G agreed to talk to the agent as he realised his mother probably wasn't home anyway. But Mr G first said that the agent should speak to his mum. And when the agent went on to explain the claims process, the fault and non fault process, Mr G said he thought MCE were going to deal with repairing his bike. He again said it was better for MCE to speak to his mum. The agent then offered his email address for Mr G to contact him by email. While the information MCE gave in the call was correct, the problem is it contradicted what MCE agreed it would do with the adjudicator.

So I can understand how MCE's call to Mr G made an already difficult situation even worse. There then followed over a month of Mrs G contacting both MCE and us to clarify what MCE told Mr G and trying to discuss the matter with MCE. But MCE didn't call Mrs G back until mid August.

Part of Mr G's complaint was that the solicitors instructed were separate to his insurance policy and were on a "no win no fee" basis. MCE now says that it agreed to bear the costs of any action - if Mr G chose not to make a claim through the solicitors it initially referred Mr G to. MCE will only deal with a claim if Mr G agrees to a fault claim. It won't instruct solicitors to pursue a third party claim under his insurance policy.

Mr G has decided to have the repairs to his bike done himself and no longer wants to claim under his policy. MCE says it will record the incident as a notification only, and Mr G's NCB won't be affected.

Overall I think MCE's service has been very poor through the duration of dealing with Mr G's claim. He's now dealing with the remaining repairs to his bike, which he could have done months ago if MCE had been clearer about its claims process at the beginning. So I agree with the adjudicator's recommendations to put things right. But I think the compensation and loss of use should be split as £570 for trouble and upset, and £430 for 43 days loss of use.

my final decision

I uphold this complaint and I require MCE Insurance Limited to do the following:

- Pay Mr G £430 for 43 days loss of use of his motorbike.
- Pay Mr G £570 compensation for the trouble and upset caused in addition to the £100 it's already paid.

MCE Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr G accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 6 February 2017.

Geraldine Newbold
ombudsman