

complaint

Mr T complains that MCE Insurance Limited, a broker, gave him incorrect information in relation to his motorcycle insurance.

background

In December 2016, Mr T took out third party motorcycle insurance. In July 2017, he changed his motorcycle and phoned MCE to amend his policy. He chose to accept the quote for third party insurance only and arranged to spread the additional payment over his remaining two payments.

On 2 August 2017, Mr T phoned MCE again and asked about the reason for the additional payment. During that call, MCE said, incorrectly, that part of the charge was due to the change of cover from third party to third party, fire and theft. On 3 August 2017, Mr T's motorcycle was stolen. He phoned MCE in order to claim against his policy but it told him that his cover was third party only, so he wasn't insured for theft.

Mr T says that MCE led him to believe that his cover was for third party, fire and theft, so it should compensate him for his loss.

Our investigator thought that Mr T's complaint should succeed in part. She said that in July 2017, Mr T arranged third party only cover but on 2 August 2017, when Mr T phoned to query the payment, MCE incorrectly told him that he had third party, fire and theft cover. The investigator said MCE should pay Mr T compensation of £50 in relation to his trouble and upset, as Mr T believed he could claim against his policy and spent time doing that.

Neither Mr T nor MCE agreed with the investigator. Mr T said that the compensation wasn't enough, as his bike had been stolen. MCE said it didn't think Mr T had suffered any inconvenience, as he had to report the theft in any event. It also said that whilst it accepts it made an error in incorrectly telling Mr T he had cover for third party, fire and theft, it corrected that the following day, when Mr T reported the theft.

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've listened to the recordings of the phone calls made available in this case. I agree with the investigator that when Mr T phoned MCE to change his cover to his new motorcycle, he confirmed that he wanted cover for third party only. The documents MCE subsequently sent to Mr T clearly showed that the cover was third party only.

It's common ground that when Mr T phoned to query the additional payment on 2 August, MCE made an error when it said he had third party, fire and theft cover. That doesn't mean Mr T is entitled to that level of cover. There's no basis on which to ask MCE to compensate Mr T as if he had cover for theft. I appreciate that's very disappointing for Mr T and that the theft of his motorcycle leaves him substantially out of pocket.

I do think Mr T suffered some upset here because of MCE's error. No doubt, when he discovered the theft of his motorcycle, he took some comfort from that fact that only the day before, MCE had told him his policy covered theft. When he reported the theft to MCE, it told him that wasn't the case. Mr T was disappointed to discover the true position.

MCE says it would consider paying compensation if Mr T was misled for a longer period than was the case here. The level of compensation suggested by the investigator reflects that Mr T wasn't misled for very long. Considering everything, I think compensation of £50 is appropriate for Mr T's trouble and upset in finding out that he'd been given incorrect information.

my final decision

For the reasons I've set out above, my final decision is that I uphold this complaint. I now require MCE Insurance Limited to pay Mr T compensation of £50 for the trouble and upset it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 4 June 2018.

Louise Povey
ombudsman