

complaint

Mr J complains about how MCE Insurance Company Limited ("MCE") handled his claim.

background

Mr J had motor insurance with MCE and contacted it when he was involved in an accident on his motorcycle. MCE explained Mr J could use its solicitors to try to recover his costs back from the third party or their insurers. Or he could claim under his comprehensive cover and MCE would either pay for the motorbike to be repaired or alternatively, if it was a total loss, it would pay him the market value of the motorbike, less the policy excess. MCE's legal team could then try to recover the costs from the third party and if this was successful, his no claims bonus would be restored.

Mr J chose to claim under his comprehensive cover. But he was unhappy that the claim was recorded as a 'fault claim'. He said this was never explained to him and he was worried this would affect his future insurance premiums. Mr J complained to MCE and it accepted there'd been delays and poor service. For this, it offered £600 compensation, which Mr J accepted.

But he remained dissatisfied with the way the claim had been recorded and so he brought his complaint to this service. Our investigator didn't feel the complaint should be upheld. She explained she'd listened to the calls when Mr J had discussed the claim with MCE. She noted he was told he'd be claiming on his own policy. And that he was told MCE's solicitors would try to recover the claim costs from the third party and if they succeeded the excess would be refunded and it would be recorded as a non-fault claim.

MCE's since confirmed it was successful in recovering the claim costs and the claim was changed from fault to non-fault. Mr J's excess has been refunded and his no claims bonus has been unaffected. But Mr J remains dissatisfied and has asked for his complaint to be reviewed by an ombudsman. He wants to know why he needs to declare the accident in future insurance applications even though our investigator's explained it's a requirement across the insurance industry.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint and I've reached the same conclusions as our investigator, for broadly the same reasons.

Mr J's said he's happy with the compensation he's received for MCE's poor customer service and the delays to his claim. I've considered the offer in the context of the claim and I'm satisfied it's fair.

Mr J's suggested he didn't fully understand the consequences of making the claim. I've listened to the calls and I accept he might've misunderstood the position with respect to the nature of the claim. But he was told the claim would only be recorded as non-fault if the solicitors were successful in recovering the costs from the third party and so I'm satisfied he made an informed choice to claim against his policy.

All motor claims are recorded and have to be disclosed as part of future insurance applications, regardless of how they are recorded. This is standard practice across the motor insurance industry and is part of the information insurers use to assess risk. Therefore Mr J

hasn't lost out or been treated unfairly as a result of the fact he'll need to tell insurers about the accident in future applications.

Overall I haven't seen any evidence that MCE's handling of the claim has resulted in any unfairness to Mr J.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 20 March 2018.

Carolyn Bonnell
ombudsman