

The complaint

Miss G complains about how Skyfire Insurance Company Limited dealt with her claim, when her parked car was hit by an unidentified vehicle. And that the incident was recorded as a fault claim against her policy.

What happened

Miss G had comprehensive motor insurance cover for her car with Skyfire. In June 2020, while parked on a residential street, her car was hit by another car. This caused considerable damage and Miss G's car was written off by Skyfire. The incident was witnessed by someone working nearby, but they didn't get the registration number of the other car involved. This meant that Miss G had to make a claim on her policy.

Miss G is unhappy that the incident has been recorded as a fault claim against her. She doesn't understand how the accident can be regarded as her fault, when her car was legally parked, and she was nowhere near it when the accident happened. She believes Skyfire have wrongly recorded that the accident was her fault.

Because of the fault claim the cost of her insurance for her replacement car has increased and she's concerned that when she comes to renew her insurance, it will cost her more than her car is worth.

Miss G complained to Skyfire about how they'd recorded her claim. They didn't uphold her complaint. They said they understood that the incident wasn't her fault, as her car was parked and unattended when it was damaged. But the other driver hadn't stopped, so they didn't have their details, and they weren't able to pursue a claim for their costs as they'd normally do. And as they'd paid her the pre-accident value of her car, the claim had been correctly recorded as a fault claim.

Miss G wasn't happy with Skyfire's response and complained to our service. Our investigator considered the complaint and felt that Skyfire had dealt with the claim fairly. She said that when Miss G reported the incident, she was told that as the other driver couldn't be identified, she'd need to make a claim against her own policy. She explained that a 'fault claim' didn't mean Miss G was responsible for the damage to her car. And in recording details of the claim Skyfire had clearly stated that her car had been damaged when parked and unattended.

While she understood Miss G's concerns about the increase in the cost of her insurance, our investigator said that the terms and conditions of her policy did explain that if she made a claim, the cost of her insurance might increase. And she felt Skyfire had acted reasonably in refunding Miss G's policy excess, as a gesture of goodwill, to acknowledge the important work she was doing during the pandemic.

Miss G wasn't happy with our investigator's opinion so the case has come to me for a decision.

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.

I can understand why Miss G is upset about what happened to her car. I've listened to the calls she made to Skyfire and it's clear from these that they understood her car was parked, and she wasn't present when the accident happened.

During the calls Skyfire asked Miss G whether there were any witnesses and if any of her neighbours might have CCTV, which might have recorded the accident. Miss G provided details of a witness, but he hadn't seen the registration of the car that hit hers. Miss G thought one of her neighbours might have CCTV, but when she made enquiries the camera had been removed some time before the accident. But I'm satisfied Skyfire did what they could to suggest how the other driver might be traced. And Miss G followed up these suggestions.

But despite Miss G's efforts the other driver couldn't be identified. So she had to make a claim for her car under her own policy. She was told this during the call she made to Skyfire to report the accident. During the same call Miss G was told that given the damage she'd described, and her car's age and mileage, it would be regarded as a write off, and she was given a valuation for its pre-accident value less her policy excess. She wanted to think about it, before she agreed to her car being written-off. But she called Skyfire back the same day to accept their offer.

Miss G is unhappy that Skyfire have recorded the accident as a fault claim against her policy. But this isn't the same as saying the accident was her fault. The damage to Miss G's car was caused by another driver, who failed to stop after hitting her parked car. As it wasn't possible to identify this driver, Miss G had to make a claim on her own policy. Any such claim is recorded as a fault claim, as the insurers have had to make a payment under the policy. In this case they've paid Miss G the pre-accident value of her car.

Had the other driver stopped and provided their details, or if it was possible to identify them, Miss G may have been able to claim the value of her car from their insurers. Then there'd have been no claim against her policy.

So in recording a fault claim, Skyfire weren't saying Miss G was responsible for the accident. They were simply recording that she'd made a claim which had been paid under her policy.

Miss G has also said she's concerned that she'd have to declare this claim to future insurers. She's right about this. The details Skyfire have recorded on the CUE database (This is a central database of motor, home and personal injury incidents reported to insurers) say: -

'Hit Whilst Parked – Third Party Hit Parked Insured – Third Party Known.'

This isn't correct, as the other driver wasn't identified, and it might make a future insurer wonder why Skyfire weren't able to recover their costs if the other driver was known.

We've contacted Skyfire about this and they've confirmed that they've asked for the entry to be amended to show that the third party was unknown. Once this is done the accident circumstances should be clear to any future insurer.

Miss G has also said she's concerned that her no claims bonus has been disallowed and that in the future her insurance may cost more because of this claim.

Miss G's policy says the following: -

- *If you make a claim during any period of insurance, you will not earn any no-claims discount entitlement for that insurance period.*
- *If you make a claim and the insurer has already worked out your renewal premium, the insurer can change or remove your no-claims discount entitlement and change your renewal premium.*

Unfortunately, because Miss G had to make a claim on her policy, she didn't earn any no-claims discount for that policy year. But as this is clearly set out in the policy terms and conditions, I think it's reasonable for Skyfire to have disallowed this.

As she's made a claim this may affect the amount she is charged for insurance in the future. This is because risk is one of the factors considered in calculating premiums, and previous claims form part of the assessment of risk. This is something all insurers consider, not just Skyfire.

Skyfire have paid Miss G's claim in accordance with the terms and conditions of her policy. They've correctly recorded the accident as a fault claim, as they've been unable to recover their outlay. And they've agreed to amend the entry on the CUE database, so it accurately records that the third party was '*Unknown*'. So I won't be asking them to do anything further.

My final decision

For the reasons set out above I don't uphold Miss G's complaint against Skyfire Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 18 July 2021.

Patricia O'Leary
Ombudsman