

The complaint

Mrs Q complains about how Royal & Sun Alliance Insurance Plc (RSA) dealt with and settled a claim on her car insurance policy.

What happened

Mrs Q was involved in an accident in her car with a third party, so she claimed on her policy. Mrs Q said the third party had turned onto the road she was on too fast and had hit Mrs Q, who was stationary. Mrs Q also provided details of a witness to RSA.

RSA looked into the claim and tried to hold the third party at fault for the accident. The third party said Mrs Q was pulling out of the road they were turning into and their cars collided. RSA reviewed the witness statement but as they hadn't actually seen the accident didn't think it was one they could rely on if it went to court. Because of this RSA agreed to settle the claim on a without prejudice 50/50 basis. Mrs Q didn't think that was fair and complained, as she didn't receive a response Mrs Q referred her complaint here.

RSA sent its file on the complaint and didn't think it had done anything wrong. It said as the third party hadn't seen the accident and Mrs Q and the third party's version of events differed, it didn't think it would be a claim it could win if it went to court.

Our investigator looked into the complaint and didn't find RSA had done anything wrong. He found that RSA had considered both sides of what happened, and that RSA's legal opinion was this wasn't one it could win if it went to court. Mrs Q disagreed, she said RSA's management of the claim hadn't been good enough.

As Mrs Q disagreed the complaint has come to me to decide.

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.

The terms and conditions of Mrs Q's policy, like most policies we see, give RSA the right to take over the defence or settlement of any claim, as it sees fit. That means it might make a decision Mrs Q disagrees with and not try to recover its outlay or settle a claim from the third party or their insurer. But we'd look at whether RSA made a reasonable decision in doing this based on the evidence it had and the circumstances of the case.

In Mrs Q's case RSA obtained Mrs Q's side of events along with the witness details. Mrs Q said she was stationary in a side road when the third party turned right into the side road, driving too fast, and crashed into Mrs Q.

The third party said Mrs Q was pulling out of the side road as they went to turn into it when their cars collided. The witness statement said they didn't see the accident but saw the third party's car driving just before the accident.

From RSA's claim notes I can see it initially tried to defend the claim and hold the third party fully liable for the accident. However, as the third party disputed this, and Mrs Q's witness didn't see the accident, RSA didn't think this was one it would be able to win if it went to court. Because of this it said the best possible outcome would be to settle the claim on a 50/50 basis. As RSA tried to hold the third party fully liable and took into account both parties' side of the event, along with the witness statement and its legal opinion. I'm satisfied RSA has made a fair and reasonable decision in the circumstances.

I've also considered Mrs Q's point about RSA's handling of the claim. From the claim notes I can see RSA let Mrs Q know it thought the best possible outcome would be a 50/50 settlement around a month after the claim. When RSA deals with a claim it needs to do so promptly, and I'm satisfied this is a reasonable time in this case. I can also see though that Mrs Q made attempts to contact RSA, after it informed her about the settlement of the claim, to raise a complaint but RSA didn't respond. While I appreciate this would be frustrating and is disappointing to see, I'm not able to consider complaint handling. And as RSA's failings are in relation to its complaint handling it's not one I'm able to award for.

My final decision

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Q to accept or reject my decision before 7 December 2021.

Alex Newman
Ombudsman