

## **The complaint**

Mr M complains Advantage Insurance Company Limited's unfairly seeking reimbursement of its costs from him for a third-party motor claim.

## **What happened**

In June 2020 Advantage told Mr M a third-party driver's insurer had made a claim against him. He denied being involved. It asked him to provide evidence to support that. In November 2020 Advantage settled the third-party's hire car cost claim. In February 2021, following a court judgement in the third-party's favour, Advantage settled its repair costs. Advantage then decided to recover its claim costs from Mr M. It said his policy terms allowed it to do so – as he had failed to cooperate with its attempts to defend the claim.

Mr M wasn't happy with that, so he complained to Advantage. In response it said it had made numerous attempts to contact him about the claim. As he didn't respond or provide any evidence to show he wasn't involved in the incident it had to settle the third-party's claim. It explained that Mr M's policy terms gives it the right to recover costs from policyholders when they don't assist with investigations.

Mr M didn't accept that response. He's unhappy Advantage accepted him as being involved in the incident, at fault and for settling the third party's claim. He says it falsely claimed to have tried to contact him. He claims it ignored evidence he provided confirming he wasn't involved in the incident. He wants Advantage to stop trying to recover the claim costs from him.

Our investigator considered the complaint. He felt Advantage's decision to pursue Mr M for the claim costs was fair. The investigator said it had provided him with reasonable opportunity to cooperate on the claim – but he had failed to do so. He recommended Advantage pay Mr M £100 compensation to recognise the impact of some unclear information it had provided. Advantage accepted that assessment. Mr M didn't, so the complaint was passed to me for a final 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.

Having done so, I'm not going to interfere with Advantage's decision to try to recover its claim costs from Mr M.

Mr M and Advantage have provided a lot of information for this complaint, making a number of points and arguments. As this is an informal service, I'm not going to respond to everything here. Instead I'll just focus on what I consider to be the key issues and evidence. But I'd like to reassure Mr M and Advantage that I've considered everything provided.

I'm satisfied that, after initially informing Mr M of the claim, Advantage tried numerous times to contact him by phone and post. I've seen copies of the letters and heard call recordings. It

was trying to gather evidence to defend the claim. I'm not persuaded by his claim he thought he was being scammed.

Mr M says Advantage ignored his supporting evidence, including from the police and his employer, confirming he wasn't involved in the incident. But I'm satisfied he failed to respond to, or cooperate with, Advantage. I haven't seen anything to persuade me he provided evidence to show he wasn't involved in the incident.

Mr M's policy terms allow Advantage to conduct the defence or settlement of any claim. That means it might make a decision he disagrees with, but the policy allows it to do so. Advantage was required to respond to the third-party's claim. The third-party had provided Mr M's name, address, mobile number, car make and model. It was said these had been exchanged at the incident. As I've said Mr M didn't respond or engage. He didn't provide anything to assist Advantage in its attempts to defend the claim. In those circumstances, it's decision to settle the third-party's car hire costs was reasonable.

Advantage also tried to voluntarily settle the third-party's repair costs. That was a reasonable decision, considering the lack of supporting evidence to defend the claim. As Mr M didn't respond to its attempts to gain his consent that didn't happen. Eventually a court judgement was made in the third-party's favour. That was settled by Advantage. I can't say that was unfair or unreasonable either.

Mr M isn't happy Advantage is trying to recover the claim costs from him. It's said his policy terms allow it to seek to recover claim costs from policyholders where they fail to provide it with information and help with a claim.

It's reasonable for an insurer to expect a policy holder to assist it with claims. Where a policyholder doesn't it might undermine the insurer's ability to successfully defend a claim and minimise its liability. In this case Advantage says it would have been able to defend the claim had Mr M provided the evidence he initially said he had. Having considered the policy terms, and Mr M's failure to respond or cooperate with Advantage during the claim, I can't say its decision to recover costs from him is unfair or unreasonable. So I'm not going to interfere.

Advantage agreed to our investigator's recommendation it pay Mr M £100 compensation. That was to recognise the impact of it giving him inconsistent information. Having considered everything I don't see any reason to award any further compensation.

**My final decision**

For the reasons given above, Advantage Insurance Company Limited needs to pay Mr M £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 March 2022.

Daniel Martin  
**Ombudsman**