

The complaint

Mr F complains West Bay Insurance Plc trading as Zenith Insurance (Zenith) unfairly settled a claim, from a third-party, on his commercial motor insurance policy and recorded it as fault. He also complains he was not kept updated or informed of the outcome of the claim.

Zenith are the underwriters of this policy ie the insurer. Part of this complaint concerns the actions of the intermediary. As Zenith have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Zenith includes the actions of the intermediary.

What happened

On July 2021 Mr F collided with a coach whilst reversing his van. Both drivers assessed the vehicles for damage at the time. Mr F said the coach driver found no damage to the coach but said he would still have to report the incident. Mr F said there was slight damage to the rear of his van.

In September 2021 the third-party insurer made a claim against Mr F's motor insurance policy for the damage it said was caused in the collision.

Zenith accepted and paid the claim from the third-party insurer and recorded this a fault against Mr F.

Mr F is unhappy B paid out a claim which he feels is fraudulent and he disputes the damages reported by the third-party insurer. He said due to the time between the incident in July 2021 and the inspection that took place in September 2021, the coach could have travelled many miles and the damage claimed for was likely to have been caused in another incident. He said this has meant an increase in his insurance premiums. And he also said he was not kept up to date about the claim by Zenith.

As Mr F was not happy with Zenith, he brought the complaint to our service.

Our investigator partially upheld the complaint. They looked into the case and said there was not enough evidence to show the damage to the coach was caused by another incident, based on the engineer report and Mr F having admitted liability. They said the two-month time period between the incident and notification was not unreasonable. However they didn't think it was fair that Zenith didn't tell him the outcome of the claim and they recommended it pay him £50 compensation for the impact caused.

As Mr F is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

When looking at complaints relating to claims for damage to a vehicle, our service can't determine how the damage occurred. Instead what we look at is the information the insurance company relied on to make its decision.

In addition it's important that I make it clear that it's not my role to decide who's at fault for an accident, as ultimately that's a matter for the courts. And, like all motor policies, Mr F's policy allows Zenith to settle claims as it sees fit. That means it doesn't require Mr F's consent to decide how to settle the claim and it may make a decision that Mr F doesn't agree with. But I'll look to see that it's done so reasonably.

In this case I reviewed the evidence provided by Mr F in October 2021 when Zenith contacted him for details of the incident. Mr F said he reversed off a dropped kerb and a coach approached on the main road. The rear bumper of his van collided with the coach at the rear passenger side near the rear wheel. Mr F accepted he had reversed into the coach, and that it was his fault.

Mr F said neither himself, or the coach driver, saw any damage to the coach. I saw the driver of the coach gave Mr F a ticket that confirmed the date and time of the incident. And Mr F said the driver told him he would have to report it, but it was likely nothing would happen.

No pictures of the coach were taken at the time of the incident. I saw images of Mr F's van taken after the incident and these showed scuffs and slight damage to the rear bumper plastic trim.

I saw the third-party insurer appointed an engineer to conduct a desktop inspection of the damage to the coach. A report completed after the inspection recorded a small amount of damage to the body panel of the coach near the rear wheel.

Zenith said its own engineer reviewed the report provided by the third-party insurer and agreed the damage to the coach was consistent with the details of the accident that had been provided by Mr F. Therefore the claim was accepted by Zenith and recorded as fault against Mr F.

It's important to again note that our service can't determine how the damage to the coach occurred. What we have to consider is the information or opinions Zenith have relied on to make its decision.

I acknowledge Mr F's comment that Zenith have not requested further evidence from the coach driver who was the only other key witness of the incident. However Zenith said having the details of the coach driver wouldn't enable it to investigate further and it would not change its decision to accept the claim.

Zenith's decision to accept the claim from the third-party insurer is in line with the terms of the policy that say on page 34; "*We shall have discretion in the conduct of any proceedings or in the settlement of any claim.*" The claim for damage matched the accident description given by Mr F, and the repair cost was fair and reasonable. And because liability was not in dispute, I think Zenith fairly decided to settle the claim based on the evidence presented. I do not uphold this part of Mr F's complaint.

I looked at the timeline of the claim and there is a period of two months between the incident and the time of the claim being raised by the third-party insurer and I do not think this is an unusual amount of time. I can understand Mr F's point that the coach could have been damaged in another incident during this time. However I have not seen any evidence that supports this allegation.

Mr F said he was not informed of the outcome of the claim. I have not seen any evidence of Zenith providing this information to him. I think it should have kept Mr F updated throughout the claim and informed him of the outcome and that it had closed the claim. And for this reason I think it should pay him £50 compensation for the lack of clarification given about the status of the claim and its failure to inform Mr F of its decision to accept the claim from the third-party

Therefore, I uphold this part of Mr F's complaint.

My final decision

For the reasons I have given I uphold this complaint.

I require West Bay Insurance Plc trading as Zenith Insurance to pay Mr F £50 for its failure to inform him of its decision to accept the claim from the third-party.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 23 June 2023.

Sally-Ann Harding
Ombudsman