

## **The complaint**

Mr B complains about the amount U K Insurance Limited (UKI) paid in settlement of another driver's claim against his commercial motor insurance policy. He thought this had led to an increase in his premium.

## **What happened**

Mr B was involved in an incident with another driver where he was at fault. UKI paid the other insurer's outlay for the cost of the claim. But Mr B said the damage caused had been minor and he thought the repairs were exaggerated. He thought the amount of the claim had caused an increase in his premium at renewal.

Our Investigator didn't recommend that the complaint should be upheld. He thought UKI was entitled by the policy's terms and conditions to settle the claim as it saw fit. He thought it had paid for the other insurer's outlay as Mr B was at fault. He thought there may have been underlying damage caused to the other driver's car that wasn't immediately apparent. And he thought there would have been other factors that caused the premium increase.

Mr B replied that he wanted to see details of the damage, repairs and costs UKI paid for the other driver's car. He thought UKI had a duty to stop rogue claims. He explained that he'd had a similar experience in the past that had been remedied.

## **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.

Mr B explained that his van door was opened by accident and scratched the driver's side front wing of the other driver's car. He said the scratches were minor and would need cosmetic repair. He couldn't see how the £7,000 claim cost was justified. I can understand that Mr B feels frustrated that UKI has paid this amount for the other insurer's outlay.

Mr B has described a past experience where he successfully challenged a fraudulent claim, but I can't consider that here as we treat each complaint on its merits.

UKI and the Investigator have explained that UKI is entitled under the terms and conditions of its policy with Mr B to take over, defend, or settle a claim as it sees fit. Mr B has to follow its advice in connection with the settlement of his claim, whether he agrees with the outcome or not. This is a common term in motor insurance policies, and I do not find it unusual. Insurers are entitled to take a commercial decision about whether it is reasonable to contest a third party claim or better to compromise.

Mr B wanted to see the evidence used to justify the cost of repairs. But UKI declined to provide this as this wasn't Mr B's personal information but that of the other driver. And it was prevented by data protection regulations from sharing this. So I can't say that UKI acted incorrectly in declining to provide Mr B with the other driver's personal information.

But I can see that UKI paid repair and hire costs for the other driver. I'm satisfied that it's not in UKI's interest to pay costs that they don't have to. And I can see from its file that it noted details of the inspection and repairs estimate, and that it took action to minimise costs.

Mr B wanted us to check the costs. But we aren't engineers. We don't assess whether or how damage to a vehicle would be caused as this is a matter for the experts in these situations, the insurance companies and engineers.

But I think it's not uncommon for further damage to become evident when a vehicle is stripped for repairs. And whilst Mr B may consider that a cosmetic repair was needed, I think it's for the repairer to undertake repairs that meet warranty conditions. And this may increase the costs.

Mr B was concerned that the amount UKI paid out for the other driver's claim had increased his premium at renewal. But UKI explained that this wouldn't be the case as this wouldn't be treating its customers fairly and reasonably and other factors would have increased his premium.

So I haven't seen any evidence that UKI has treated Mr B unfairly or unreasonably in settling the other insurer's outlay. I think it acted in keeping with the policy's terms and conditions and so I don't require it to do anything further.

### **My final decision**

For the reasons given 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 Mr B to accept or reject my decision before 1 July 2024.

Phillip Berechree  
**Ombudsman**