

The complaint

Mr and Mrs G complain about how Accredited Insurance (Europe) Ltd (AIE) dealt with a claim against their motor insurance policy.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, in March 2022, Mrs G was involved in an accident. She was stationary at traffic lights on a hill and her car rolled back and made impact with the front of the third parties' stationary car behind her. Mr G arrived at the scene after the accident. Mr G reported the incident to AIE. The third parties made claims against Mr and Mrs G's policy.

The third parties' insurer obtained an engineer's inspection report dated 22 March 2022, which said that the repair costs were more than the pre-accident valuation of the third parties' car.

On 6 April 2022, an engineer instructed by AIE inspected Mr and Mrs G's car. The engineer said that there was no evidence of any displacement to the rear tow bar, rear bumper and underbody panels or trims of Mr and Mrs G's car, which is what he'd expect to see if there had been impact at any significant force. He said that if Mr and Mrs G's car made impact with the third parties' car it would have been a light impact at very low speed.

On 7 April 2022, AIE instructed a second engineer to provide a consistency report which was provided in a letter of 8 April 2022. In that letter, the second engineer said that the damage to the front of the third parties' car is consistent with striking the tow bar on Mr and Mrs G's car. He said that the tow bar is very strong and that it had penetrated the lower grille of the third parties' car and caused damage to the bumper and intercooler. The engineer said that based on the repair costs and valuation of the third parties' car, it wasn't worth repairing.

On 8 April 2022, AIE told Mr G that its engineers advised that whilst there's no visible damage to Mr and Mrs G's car, the damage to the third parties' car is consistent with Mr and Mrs G's tow bar striking the third parties' car. AIE said that it had no alternative but to accept liability for the incident and settle the third parties' claims on the best possible terms. Mr G didn't accept that and on 11 April 2022 he set out his concerns about the third parties' claims and the evidence provided by AIE's engineer.

In May 2022, AIE asked the engineer who'd provided the consistency report further questions about damage to the third parties' front bumper. The engineer said that he remained satisfied that all of the damage was caused by the impact with Mr and Mrs G's car.

In October 2022, Mr G contacted AIE again in relation to his concerns about the evidence. He complained about AIE settling the third parties' claims. Mr G thought that the claims were fraudulent. As Mr and Mrs G weren't happy with AIE's response they

pursued their complaint. They want AIE to confirm that they aren't responsible for the third parties' claims.

One of our investigators looked at what had happened. She said that the policy terms and conditions say that AIE can deal with any claim on Mr and Mrs G's behalf, so AIE could accept liability for the accident. She thought that AIE had investigated the points Mr G had made. The investigator thought it was reasonable for AIE to rely on the report from the engineer who'd provided a consistency report and accept liability. But she didn't think that AIE had explained its position to Mr G or kept him updated. The investigator said that meant that Mr and Mrs G had continued to worry about this for a long time. She recommended compensation of £250 in relation to Mr and Mrs G's distress and inconvenience.

Mr G indicated that he remained of the view that AIE hadn't acted correctly but accepted the investigator's recommendation. AIE didn't agree that it had failed to keep Mr G informed about its handling of the third parties claims. It said that it was in regular contact with Mr G at the start of the claim and that Mr G only made further comments later in the year when his renewal was due.

As there was no agreement between the parties, the complaint was passed to me to decide.

My provisional decision

On 20 February 2024 I sent both parties my provisional decision in this case in which I indicated that I intended to uphold the complaint in part but with a different outcome than has been suggested before. I said:

'It's clear that Mr G in particular has strong feelings about this matter. He's provided detailed submissions to support the complaint. I've read through all this carefully and taken it all into consideration when making my decision. I trust that neither Mr G nor Mrs G will take as a discourtesy that I concentrate on what I think are the central issues in the case.'

Did AIE act unfairly or unreasonably?

I've decided to uphold this complaint in part and I'll explain why.

- This service isn't able to say whether a claim is fraudulent as that's the responsibility of the courts. Our role is to look at whether AIE handled the claim fairly and reasonably and, in particular, has considered everything all parties have provided before coming to the conclusion it did.*
- Mr and Mrs G's policy, like other car insurance policies, allows AIE to take over, carry out, defend or settle any claim against Mr and Mrs G. So, AIE is entitled to settle the claim in the way it deems fit. But it should do so fairly and reasonably, taking into account everything provided.*
- I appreciate that Mr G thinks that the claims are fraudulent. As I've said, that's not a matter we can determine, but I've looked at whether AIE has considered what Mr G has said before deciding to settle the third parties' claims. It's not in dispute that the car driven by Mrs G made contact with the front of the third parties' car. AIE considered the engineer's inspection report dated 22 March 2022 provided by the third parties' insurer. It instructed an engineer who inspected Mr and Mrs G's car and then sought the opinion of a second engineer for a consistency report. When*

Mr G raised concerns about the matter, AIE asked for further comments from the second engineer who had provided the consistency report.

- Based on what I've seen, I'm satisfied that AIE considered the matter fairly and reasonably. Ultimately, AIE decided that due to the severity of damage to the third parties' car and the circumstances of the incident, it had no alternative but to accept liability and settle the claims on the best possible terms. I don't think that it acted unfairly or unreasonably in coming to that view.*
- I note that Mr G thinks that there was minimal or no damage to the third parties' car but I think that AIE was entitled to prefer the conclusions of the second engineer who provided the consistency report. It's not unusual for there to be considerable differences in the outcome for two cars when the point of impact is a tow bar on one of the cars. A visual inspection at the scene of the accident wouldn't necessarily reveal the extent of the damage. And an engineer's inspection of Mr and Mrs G's car wouldn't conclusively indicate the extent of the damage to the third parties' car.*
- AIE is entitled to consider the likely outcome of defending the claim and going to court. It clearly thought that, if the claim proceeded to court, Mrs G was likely to be held liable and that it wouldn't be able to defend the claims the third parties were raising. And it's fair that it wished to avoid the risks and costs associated with that.*
- Whilst AIE considered the points Mr G made, it didn't tell Mr G that it had done so. And it didn't give Mr and Mrs G regular updates about the progress of the claim or tell them in a timely way that it had in fact been settled. I think that was inconvenient for Mr and Mrs G, as when renewal was imminent they had to raise the matter again with AIE. But I don't think that Mr and Mrs G were unduly troubled by that. I don't think there's evidence to enable me to fairly conclude that Mr and Mrs G suffered distress and inconvenience over a prolonged period.*
- In all the circumstances, I think that AIE should pay Mr and Mrs G compensation of £100 in relation to their distress and inconvenience as a result of its poor communication about the progress and conclusion of the claim. In reaching that view, I've taken into account the nature, extent and duration of Mr and Mrs G's distress and inconvenience caused by AIE's poor communication in this case.'*

Responses to my provisional decision

Neither Mr and Mrs G nor AIE agreed with my provisional decision. Mr G said that not everything had been addressed, including:

- AIE's assertion that their complaint was out of time.
- The photographs and video he took at the scene of the incident.
- The engineer's report which said that Mr and Mrs G's car couldn't have done any damage.
- Photographs provided by the third parties which didn't show the number plate and consideration of whether it was the same car that was in the incident.
- The third parties' claims for whiplash.
- The fact that AIE didn't respond to his allegations of fraud.

AIE didn't agree that it wasn't clear with Mr and Mrs G about its handling of the third parties' claims. It said that, initially, it was in regular contact with Mr and Mrs G and communicated with them up to the point in April 2022, when it told them it was dealing with the third parties'

claims. It said that it's not its usual practice to update the policyholder about how the third parties' claims are progressing. AIE said Mr G made further comments later in the year, when his renewal was due. It doesn't agree that it should pay compensation in this case.

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.

As I said in my provisional decision, I concentrate on what I think are the central issues in the case. So, I don't respond to every point made if it doesn't alter the outcome. For example, the fact that AIE said initially that Mr and Mrs G's complaint was out of time doesn't alter the outcome here, as it subsequently agreed that this service could consider the complaint.

I've looked again at the evidence AIE took into account in reaching its decision on liability. I've noted what Mr G says but I remain of the view that AIE considered the matter fairly and reasonably before coming to its decision. I appreciate that Mr G thinks that AIE's decision was wrong, but I think that it was entitled to come to the conclusion that it did.

I agree that, initially, there were regular exchanges between AIE and Mr G. But after AIE told Mr G in April 2022 that it accepted liability for the incident there was no further engagement with him until October 2022, when Mr G asked for information about the settlement of the claims. Mr and Mrs G would reasonably wish to know about the status of the claims when their insurance was due for renewal. I don't think that AIE was obliged to report to Mr and Mrs G every step in its handling of the third parties' claims but I think its failure to keep Mr and Mrs G informed meant that they were put to the trouble of enquiring further as renewal approached. I remain of the view that Mr and Mrs G were inconvenienced by that.

For the reasons I set out in my provisional decision and above, I think that AIE considered the matter fairly and reasonably in coming to its decision on liability but caused Mr and Mrs G some inconvenience in its lack of communication with them for part of the relevant period.

Putting things right

In order to put things right, I now direct AIE to pay Mr and Mrs G compensation of £100 in relation to their distress and inconvenience.

My final decision

My final decision is that I uphold this complaint to the extent indicated above. Accredited Insurance (Europe) Ltd should now take the step I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 3 May 2024.

Louise Povey

Ombudsman