

The complaint

Mr E has complained about the fact Ageas Insurance Limited settled a claim against him by a third party under his Car Insurance Policy.

What happened

Mr E was contacted by Ageas to let him know a third party had made a claim against via a representative him following an incident while he was driving his car. Mr E emailed Ageas and told them he didn't want to make a claim and he would deal with the matter himself. Ageas wrote back to him saying it would need to deal with the claim. So Mr E emailed Ageas again saying he didn't want it to deal with the claim. Ageas wrote again saying it would need to deal with the claim. Mr E emailed Ageas once again on 4 October 2020 saying he did not want it to deal with the claim. Ageas responded on 5 October 2020 to explain why it would need to deal with the claim. Ageas then settled the third party claim.

Mr E complained to Ageas when he later found out it had settled the claim. Ageas maintained it was entitled to do this under the terms of Mr E's policy. Mr E didn't agree and asked to consider his complaint. He said he'd lost out by having to pay a higher premium due to having the claim on his record.

One of our investigators considered Mr E's complaint. He said Ageas was entitled to settle the claim. But that it should have let Mr E know when had done so. It didn't, so the investigator suggested Ageas paid Mr E £200 in compensation for the distress and inconvenience this had caused him.

Ageas agreed to pay the compensation. However, Mr E didn't agree with the investigator's view and asked for an ombudsman's decision. He maintains that Ageas were wrong to settle the third party's claim when he had told it he wanted to deal with the matter himself.

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.

I've checked the terms of Mr E's policy and I'm satisfied these meant Ageas was entitled to deal with the third party claim against Mr E without his agreement to do so. The terms say:

'In dealing with any claim under the terms of this policy, your insurer may:

- *Carry out the defence or settlement of any claim and choose the solicitor who will act for you in any legal action.*
- *Take any legal action in your name, or the name of any other person covered by this policy.'*

I appreciate Mr E's point is that he didn't make a claim. But a third party did make a claim against him. And I think this meant there was a claim and Ageas was entitled to deal with it

as it felt appropriate. Especially, as it would have had to settle any judgement the third party obtained against Mr E as Road Traffic Act insurer. And if it hadn't intervened and Mr E had tried unsuccessfully to defend the claim, the costs could have escalated and resulted in a higher payment than if Ageas had handled the claim itself.

Under normal circumstances I'd have expected Ageas to have settled the third party claim on a without prejudice basis, as this would have left Mr E the option to pursue a claim of his own for damage to his car or for injuries he suffered. However, there was clearly no damage to Mr E's car and he didn't suffer any injuries. So whether Ageas did settle the third party claim on a without prejudice basis is immaterial.

I'd also expect Ageas to have made sure the settlement amount paid to the third party was appropriate. Although, I've not seen details of it I have no reason to suspect it wasn't. And I don't think the actual amount paid would make any difference to the impact of the claim on Mr E. Of course, if Ageas should have defended the claim, but didn't, this would be a cause for concern. But the evidence suggests it had no real option but to settle it on as good a terms as possible without Mr E's co-operation. And Mr E chose not to co-operate.

I do however agree with our investigator that Ageas should have let Mr E know it had settled the claim. But it failed to do so. And I think this caused him distress and inconvenience and he should be compensated for this.

Putting things right

For the reasons set out above, I've decided to uphold Mr E's complaint and I consider that the right amount of compensation for the distress and inconvenience Mr E experienced is £200.

My final decision

I uphold Mr E's complaint and order Ageas Insurance Limited to pay Mr E £200 in compensation for distress and inconvenience if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 24 July 2024.

Robert Short
Ombudsman