

The complaint

Mr B complains that Accredited Insurance (Europe) Ltd (Accredited) paid for damage repairs he didn't cause, following an accident he was involved in, under his motor insurance policy.

What happened

In October 2022 Mr B's wing mirror clipped a parked car. He stopped and left a note with his details. He received a call from the owner of the other car later that day. She told him that her rear near-side wheel arch had been damaged. Mr B took photos of his car and contacted Accredited to report the incident.

Mr B later found that Accredited had paid around £2,000 for repairs to the third-party's car. He says there was no damage caused by his wing mirror clipping the top of the other car.

In its final complaint response Accredited says it had testimony from an independent witness and photos of the damage claimed by the third-party. It says it based its decision to settle the claim on this evidence. Accredited says there may be doubts over the extent of damage caused. But to minimise costs it made the correct decision. It says it could've investigated the damage inconsistency sooner. But based on the evidence the outcome would've been the same.

Mr B didn't think he'd been treated fairly and referred the matter to our service. Accredited contacted him again and agreed that it had paid for damage repairs not caused by Mr B. However, it maintained that some of the damage was caused when his wing mirror hit the parked car. It didn't change how it had recorded the accident, but it offered £50 compensation for its handling of the matter. Mr B rejected its offer.

Our investigator upheld Mr B's complaint. She says the witness was a friend of the third-party whose car was allegedly damaged. She didn't think this witness could be considered independent. The engineer who assessed Mr B's car found no damage and advised the damage to the other car didn't correlate with what had supposedly happened. Our investigator says Accredited didn't investigate the claim thoroughly. It should update the claim to show as notification only. Reinstate Mr B's no-claims discount and refund any additional premium payments plus 8% simple interest. She says it should also pay £300 for the distress and inconvenience it caused.

Accredited didn't agree with our investigator and asked for an ombudsman to consider the matter.

It has been passed to me to decide.

I issued a provisional decision in June 2024 explaining that I was intending to partially uphold Mr B's complaint. Here's what I said:

provisional findings

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 my intention is to uphold this complaint in part. I realise Mr B will be disappointed, but I'll explain why I think my decision is fair.

Mr B's policy terms and conditions say:

"We are entitled to take over and conduct the defence or settlement of any claim."

This is a common term used by insurers. It essentially means it's up to Accredited to decide how best to deal with a claim. It doesn't need Mr B's permission to do this. This doesn't mean it can do anything it wants. It must still treat him fairly. I've thought carefully about whether it did.

There's no dispute that Mr B collided with the third-party's car. What is disputed is the extent of the impact, and the damage this caused.

I've seen a copy of the letter Mr B wrote to Accredited in October 2022. This says his wing mirror "clipped a parked car". The owner of the car called him and said he'd damaged her rear wheel arch. In his letter Mr B says there was no corresponding damage to his car.

I've seen the photos Mr B supplied of his car. There is some damage to the nearside wingmirror, in the form of a scrape. I can't see any other clear signs of damage.

The third-party sent a copy of a message she received from her friend who witnessed the accident. The message says, "[Mr B] just scrapped [sic] past your car... its not bad just a scrap [sic] at the back passenger side". Attached to the message is a photo showing a scrape behind the near side rear wheel arch.

I've read the report of the damage to Mr B's car, produced by Accredited's engineer. It refers to "left hand front bumper damage at a height of 32-48 cm from ground level". And "impact damage to the left hand door mirror at a height of 104-107cm". The engineer says evidence of recent repairs were found to the left-hand side front bumper. But that Mr B advised this work was done before he bought the car. The engineer says:

"..we have perused the report for the third party vehicle... and can advise the damage noted... in our opinion appears to be of a different height and profile".

And:

"Repair Costs. No positive identification of any damage sustained in the alleged impact".

The report that details the repairs needed to the third-party's car, shows repairs to the nearside bodywork. As well as repairs to the wheel arch and rear bumper. But based on the engineer's inspection of Mr B's car there was no significant damage sustained in the impact. The damage was limited to scrapes on the nearside wing mirror. The engineer also comments that the damage noted to the third-party's car was at a different height and angle.

From the photos I'd expect to see significantly more damage on Mr B's car if it'd caused the damage showing on the third-party's wheel arch.

I've listened to the call when Accredited acknowledged it had paid for some repairs that Mr B hadn't caused. Mr B is clear that the only contact was between his wing mirror and higher up on the other car. He explains that this is where the roof meets the windows. The agent refers to this as the "A-frame". She says this part of the car was included in the repairs. Albeit she

acknowledges Accredited has paid for damage repairs not caused by the accident and offers £50 compensation.

In its submissions to our service Accredited says if the matter went to court it would result in higher costs. It says Mr B admits that a collision occurred, and some damage was caused to his wing mirror. It agrees not all the damage claimed was caused by Mr B, but it says there may have been some damage to the third-party's vehicle. It believes a court would decide in favour of the third-party. When considering the risks involved in litigation it says the correct decision was made to settle the claim.

Ultimately it was for Accredited to decide whether it thought it would succeed in court. However, it made this decision prior to inspecting Mr B's car. The engineer's findings have seemingly changed its view on the damage it was responsible for. But it maintains that the correct decision was made to settle the claim, given its view that a court would still side with the third-party.

I think Accredited could've communicated better with Mr B. And certainly, arranged for an engineer to inspect his car far sooner than it did. I can understand Mr B's frustration when he learned Accredited had paid for around £2,000 worth of repairs – given his view of how minor the impact was.

That said, there was an impact, and the likelihood is there was some damage caused to the third-party's car. I don't think the impact caused the full extent of the damage claimed. But Accredited is able to decide how best to deal with any given claim. In this instance it considered the risk and decided against taking the matter to court, for the reasons already discussed. I don't think this is unreasonable given the potential for this to add to the costs associated with the claim.

Having considered all of this I think Accredited has correctly recorded Mr B at fault for this claim. This has impacted his premium at renewal. But I don't think this was unfair. That said the costs from the third-party's claim could've been disputed more effectively had Accredited investigated the matter in a timely manner. This has caused Mr B a great deal of frustration and distress. He has maintained throughout that the third-party's claim included pre-existing damage, which is supported by the evidence I've seen. Because of the poor communication and its ineffective claim handling, I think it's reasonable that Accredited pays Mr B compensation. I think £300 is fair. But I won't ask it to change the claim record.

I said I was intending to uphold this complaint in part and Accredited should pay Mr B £300 for the distress and frustration it caused him.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Accredited responded to say it accepted my provisional findings. It says it believes the level of compensation is high but to put an end to this case it agrees to make this payment.

Mr B didn't provide any further comments or information for me to consider.

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 neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

My final decision is that I uphold this complaint in part. Accredited Insurance (Europe) Ltd should:

- pay Mr B £300 for the distress and frustration it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 August 2024.

Mike Waldron
Ombudsman