

## **The complaint**

Ms J complains that QIC Europe Ltd (QIC) settled a third-party claim against her car insurance policy and didn't tell her.

## **What happened**

Ms J had a car insurance policy underwritten by QIC.

In August 2021, when completing a three-point turn, Ms J was involved in an accident with a motorcyclist. This was notified to QIC by Ms J, but she didn't claim for the damage to her vehicle.

In February 2024, Ms J was looking for car insurance with another provider so she could become a driving instructor. However, that insurer informed Ms J that she had a fault claim recorded against her. Ms J was unaware of this, so she contacted QIC, and she was told that they had settled the third-party claim from 2021.

Ms J complained to QIC that they had settled the third-party claim without telling her and they hadn't contacted the witness who she says would support that she wasn't at fault. QIC apologised that they hadn't told Ms J, or contacted the witness, but they maintained they had fairly settled the claim.

As Ms J remained unhappy with QIC she approached the Financial Ombudsman Service.

One of our investigators looked into things and upheld the complaint in part. She said that she didn't think QIC had acted unfairly by settling the third-party claim. However, she said the service provided was poor, and that QIC should have told Ms J, so she recommended they pay £200 compensation.

Ms J didn't agree and asked for a final decision from an ombudsman.

## **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.

Having done so, whilst I appreciate it'll come as a disappointment to Ms J, I've reached the same overall outcome as our investigator.

As explained to Ms J by our investigator, it's not the Financial Ombudsman Service's role to decide the liability or who is responsible for an accident, only the courts can do that. Instead, my role is to consider if QIC reached a reasonable conclusion to settle the claim based on all the information and evidence available to them. And whilst I recognise it'll come as a disappointment to Ms J, I think they did.

Ms J's policy terms confirm:

*“When dealing with any claim under this policy we are entitled to:*

- defend or settle 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; and*
- admit negligence for any accident or claim on your behalf or on behalf of any person claiming under this policy, if appropriate.”*

So, this means that it is up to QIC to decide whether to settle, accept or defend a claim. And an insurer being able to decide whether to settle, accept or defend a claim is very common in motor insurance policies.

Ms J disputes she was responsible for the accident. She says she was carrying out a three-point turn when the motorcyclist, who she says was speeding, crashed into her. She also says a witness present at the time would support her version of events, but QIC didn't contact them before settling the claim.

When reaching a claim decision, QIC considered what was reported to have happened by Ms J, but this differed to the view of the motorcyclist who said Ms J performed a turn in the road without indication.

As outlined above, it's not my role to determine who is responsible for the incident, or to cross examine the different parties, only a court can do that. My role is to decide whether QIC reached a reasonable decision overall to settle the claim.

QIC explained to Ms J:

*“When performing a manoeuvre in the road, the onus is on the driver making the turn to ensure that it is safe to do so and that there is no danger to other drivers. Regrettably, whether or not the motorcyclist was speeding or not, this is not a factor in establishing liability unless the police have charged the motorcyclist with speeding or have investigated the accident scene and established that they were speeding.”*

QIC took into account all the available evidence, including that provided by Ms J, when reaching their decision. And whilst QIC accept they didn't contact the witness and should have, ultimately, they've said that if things were to go to court, it's unlikely the outcome would've been different in the absence of a police investigation or charging the motorcyclist for speeding, and due to the responsibility on Ms J as the manoeuvring party.

Whilst I appreciate it'll come as a disappointment to Ms J, with the above in mind, I don't think the overall claim decision QIC reached was unfair. QIC decided to settle the claim based on the likely outcome should it have gone to court and deciding whether to settle is their choice under the policy terms.

However, it's clear that QIC should have told Ms J that the third-party was making a claim and contacted the witness, and QIC should also have told Ms J that they had settled it as a fault claim. This understandably came as a shock to Ms J when another insurer told her about this over two years after the accident had occurred. And this has caused Ms J considerable worry and distress, she was looking to become a driving instructor, and the impact of the unknown fault claim, which came as a shock to her, has significantly increased the new insurer premiums to what they otherwise would have been.

Whilst higher premiums would likely always have been inevitable due to the claim being settled as fault, had QIC handled things better and communicated the claim decision to Ms J, this would have limited the distress and shock caused as she would already have been aware of the fault claim. So, I agree with our investigator that QIC should pay Ms J £200 compensation for the shortfalls in the service they provided.

### **My final decision**

It's my final decision that I uphold this complaint in part and direct QIC Europe Ltd to:

- Pay Ms J £200 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 20 September 2024.

Callum Milne  
**Ombudsman**