

The complaint

Miss R complained that Highway Insurance Company Limited unfairly settled a third party claim against her motor insurance policy.

What happened

Miss R's car was damaged in an incident with a bus. Highway paid for its repair. She was unhappy that Highway settled the claim as being her fault. She said that it caused her difficulties in finding new insurance for her new car and she wanted Highway to remove the fault claim from her insurance record. She also felt that the third party had blamed her for pre-existing damage.

The investigator didn't recommend that Miss R's complaint should be upheld. She thought that Highway had investigated the matter fairly and their decision about who was at fault wasn't unreasonable. Miss R didn't agree and so I've been asked to decide.

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 the investigator explained, we don't decide which party is liable for causing an incident. That's because that is a matter for the courts. But we do consider whether an insurer has acted in line with their policy terms, and whether they reached their decision in a fair and reasonable way. In this case, I've checked that Miss R's policy does give Highway discretion to decide liability and take over and deal with the defence and settlement of any claim. This means that Highway can decide to settle whether Miss R likes it or not.

Miss R admitted that her car had made contact with the bus, damaging her wing mirror and bodywork, and the photos of her car's damage are consistent with that. Highway paid for her car's repair, which cost over £3,000.

The bus company claimed for damage to their bus, of about £700. It said their bus was stationary at a bus stop and Miss R collided with it while overtaking it. There were no details of independent witnesses.

Miss R felt that there was insufficient evidence that she was at fault. She thought that the bus might have rolled into her as she passed it, and that the CCTV footage the third party provided didn't prove that she was at fault. She said that the bus already had damage and was blaming her for that, and she suspected that the third party had falsified their evidence to show her being at fault.

However it's clear that Highway did investigate and consider Miss R's account of events as well as that of the third party before settling the claim. They looked at the road layout, and where both Miss R's car and the bus were damaged. They also looked at CCTV footage of the incident, taken from the bus. They considered that the bus remained parked during the incident but Miss R was manoeuvring and so Miss R had the greater duty of care, and that

the damage to both vehicles was consistent with that. They didn't think they could dispute the third party's claim if the matter were to go to court.

It's also clear that Highway did tell Miss R that they were dealing with it as a fault claim before they settled it, and they reassured that they would scrutinise the third party's damage claim and only pay for damage they believed to have been caused by the accident. They considered that the amount the third party then claimed for repairs was consistent with the account of the incident and was reasonable.

I think Highway made a full and sufficient investigation into the matter before settling it and it was reasonable of them to settle on the evidence they had. They were entitled to make an economic decision to settle to minimise further costs. And because they settled the third-party claim on a without prejudice basis, it means that they did not admit liability on Miss R's behalf and she could still take the third party to court if she wants.

Miss R wanted them to remove the fault claim from her insurance record, but as I've shown above, it wasn't unreasonable for Highway to record her claim as fault. Insurers are required to record claim and accident information on insurance databases. In any event it can't be shown that Highway recording the claim was what adversely affected Miss R's finding alternative insurance, as there are many other factors which could affect that, including previous claims history.

I can see that Miss R has been quite upset by the accident and about how she felt the third party treated her at the scene, and I do sympathise with that. However I can't look at the third party's actions here, only at Highway's actions. I think that Highway didn't act unfairly or unreasonably in settling the claim as they did, and so I don't require them to do anything else.

My final decision

For the reasons above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 27 November 2024.



Rosslyn Scott
Ombudsman