

The complaint

Mr A complains that Sabre Insurance Company Limited settled another driver's claim against his motor insurance policy and this increased his premiums.

What happened

Another driver said Mr A had damaged their car in a collision. But Mr A said the incident was induced and he didn't cause damage to the other car. Sabre appointed an independent assessor to look at the damage. He said this was consistent with the alleged incident and there was no evidence to show that the incident had been induced. So Sabre said it would be unable to defend the matter if it went to court and it settled the claim. But it paid Mr A £50 for the trouble and upset caused by its poor communication. Mr A remained unhappy.

Our Investigator didn't recommend that the complaint should be upheld. She thought Sabre had reasonably investigated the claim and settled it on the best possible terms, as it was entitled to do by the policy's terms and conditions. And she thought its payment of compensation for its poor communication was fair and reasonable.

Mr A replied that the damage on the other car was different to that in images he had taken at the scene of the incident. He thought the damage had been caused after the incident. Mr A asked for his complaint to be reviewed by an Ombudsman, so it's come to me for a final decision.

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 can understand that Mr A feels frustrated by Sabre's decision to settle the other driver's claim. This means that Mr A has a fault on his driving record, and this has affected his premiums. I was sorry to hear about this financial burden.

Mr A said he'd been at traffic lights behind another car when the driver said Mr A had scratched his car. Mr A said he didn't hit the other car.

The Investigator has already explained that our role in complaints of this nature is to investigate how the insurer made the decision to settle the claim. Did it act fairly and reasonably and in line with the terms and conditions of the policy? And has it treated Mr A the same as someone else in his position.

Sabre is entitled under the terms and conditions of its policy with Mr A to take over, defend, or settle a claim as it sees fit. Mr A has to follow its advice in connection with the settlement of a claim, whether he agrees with the outcome or not.

This is a common term in motor insurance policies, and I do not find it unusual. Insurers are entitled to take a commercial decision about whether it is reasonable to contest a third party claim or better to compromise.

That said, we expect an insurer to reasonably investigate a claim and consider the evidence available before making a decision on liability.

I can see that there were no independent witnesses, and no CCTV or dashcam evidence for Sabre to consider. So it was one driver's word against the other's. Sabre instructed an independent engineer to provide a consistency report by comparing the damage likely to have been caused with the allegations.

He inspected Mr A's car and looked at the photographs of the alleged damage. He said there was pre-existing damage to both bumpers. But he said there was damage on both bumpers consistent with the allegations, and he explained how this would have occurred. I can see that Sabre looked at images provided by Mr A that he said were taken after the incident, but they didn't change its decision.

Sabre thought that a court would consider the engineering evidence in the absence of any other and find for the other driver. So it settled the other driver's claim. I think it's entitled to decide this in keeping with the policy's terms and conditions. And I'm satisfied that it did this fairly and reasonably after considering the evidence available. So I can't say it did anything wrong in this.

Sabre paid Mr A £50 compensation for sending him an email using an incorrect address. I think that was fair and reasonable for the impact of an error such as this as it's in keeping with our published guidance. So I don't require Sabre to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 November 2024.

Phillip Berechree
Ombudsman