

The complaint

Mrs P complains that Covea Insurance plc took forward and settled another driver's claim on her motor insurance policy. She wants the claim removed from her record.

What happened

Mrs P was involved in a minor accident with another driver, and she said neither driver wanted to make a claim. Mrs P called Covea to ask if she should notify it about the accident. But she later found that Covea had contacted the other driver to deal with his repairs and recorded a fault on Mrs P's record.

Mrs P was unhappy that this affected her premium at renewal as she had protected No Claims Discount (NCD). But Covea said it told Mrs P that it would have to deal with the other driver's repairs to mitigate its possible losses and this would be a fault against her.

Our Investigator didn't recommend that the complaint should be upheld. She thought Covea was entitled to deal with the claim as it saw fit, and it didn't need Mrs P's consent to contact the other driver. She thought it had warned Mrs P that the incident would be a fault and it would have to deal with the other driver's repairs. So she thought it hadn't done anything wrong.

Mrs P replied that neither party had wanted to make a claim. She said this was instigated by Covea and she didn't think this should be at her expense. She said Covea hadn't made it clear to her what it intended to do. Mrs P asked for an Ombudsman's review, so her complaint has 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 Mrs P feels frustrated with how things have turned out after the two cars came into contact. I can also understand that she has found this to be a stressful experience. From what I can understand, Mrs P was turning right in a car park when she collided with another car coming straight ahead. Mrs P said she almost stationary and so not at fault for the collision. She thought the other driver was speeding.

It isn't our role to decide who was responsible for causing the accident. This is the role of the courts. Instead, our role in complaints of this nature is simply 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 Mrs P the same as someone else in her position.

Covea is entitled under the terms and conditions of its policy with Mrs P to take over, defend, or settle a claim as it sees fit. Mrs P has to follow its advice in connection with the settlement of a claim, whether she 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.

I can see that the evidence Covea had to consider was Mrs P's version of events and the damage caused to the other driver's car as shown by an engineer's report. It thought this was consistent with the accident circumstances and it thought Mrs P was at fault. There was no CCTV evidence or independent witnesses available. And so I think Covea reasonably considered the evidence before deciding to accept liability on Mrs P's behalf.

Mrs P thought Covea shouldn't have contacted the other driver to deal with his repairs. But, as I've said above, Covea is entitled under the terms and conditions of its policy with Mrs P to take over, defend, or settle a claim as it sees fit. Covea explained that it wanted to mitigate possible future losses by proactively contacting the other driver. And I think it was entitled to do this by the policy's terms and conditions.

Mrs P said Covea didn't make it clear to her that she would be held at fault and that Covea intended to contact the other driver. I've listened to the notification call. The call handler did tell Mrs P that she would be at fault as there was no CCTV footage and no evidence to show that the other driver was negligent. This was repeated and the rationale was explained to Mrs P. And I think Mrs P confirmed that she understood this. I can understand that Mrs P didn't understand what "fault" meant and that she was being held to blame. But I think this is standard terminology in the industry.

Covea also told Mrs P that it would deal with any claim made by the other driver. It did tell Mrs P that it would contact the other driver to see if he wanted to claim. I'm satisfied that Covea is entitled to do this, and it did explain that the other driver may not want to make a claim. However, he did make a claim for repairs and Covea dealt with these as it said it would do.

Mrs P was unhappy that her premiums increased at renewal due to the claim as she had protected NCD. But the NCD protection is for the number of NCD years. It doesn't mean that a claim won't affect her premium at renewal. And I think Covea explained this when Mrs P notified the claim.

So I think Covea has acted fairly and reasonably and in keeping with the policy's terms and conditions in dealing with the other driver's repairs and recording a fault against Mrs P. So I don't require it to remove the claim from Mrs P's record.

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 Mrs P to accept or reject my decision before 1 January 2025.

Phillip Berechree
Ombudsman