

The complaint

Mrs R complains that Advantage Insurance Company Limited settled another driver's claim against her motor insurance policy. She wants the claim removed from her record.

What happened

Mrs R said she slightly scraped the door of another car whilst parking. The other driver made a claim to Advantage, and it settled it, paying for the door to be replaced. But Mrs R said there had been pre-existing damage and there was no way her car could have caused all the claimed damage due to the difference in vehicle heights.

Advantage investigated these concerns and maintained its position and recorded a fault on Mrs R's record. Mrs R was unhappy with this and the claim amount as she thought this would affect her future insurance.

Our Investigator didn't recommend that the complaint should be upheld. She thought Advantage was entitled to settle the claim as it saw fit. And she thought it had reasonably investigated the claim and Mrs R's concerns and paid for the car door to be replaced as this was the cheapest option. She thought that as Mrs R had admitted liability, a fault claim would always have been the outcome and this, rather than the claim amount, was likely to affect Mrs R's future insurance.

Mrs R replied that she felt let down by Advantage. She asked if the other driver had admitted there was pre-existing damage. She asked to see the evidence that Advantage had relied on to show that her car had caused the damage to the other car. And she said she would pay for an independent assessor to conduct a consistency test to show that she couldn't have caused all the damage claimed. Mrs R 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 R feels frustrated that a slight scrape, which she offered to settle privately, has led to a fault claim on her record and increased premiums for herself and her family. I can see that she feels very strongly that the other driver's claim was exaggerated.

The Investigator has already explained that 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 R the same as someone else in her position?

Advantage is entitled under the terms and conditions of its policy with Mrs R to take over, defend, or settle a claim as it sees fit. Mrs R 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.

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

Mrs R has told us that she made slight contact with the other car's door whilst parking. I can see that Mrs R offered to have this scratch repaired privately, but she said the other driver declined this offer and he made a claim on her insurance. This meant Advantage was obliged to deal with it. So I'm satisfied that liability for the incident isn't in dispute as Mrs R would always have been at fault for the incident, regardless of how much Advantage paid for the claim.

Mrs R admitted that she had caused a scratch on the lower part of the door. But she said she didn't cause a higher dent. She said the difference in car heights made such damage more likely to have been caused by a truck or van.

The Investigator has already explained that this service does not assess whether or how damage to a vehicle would be caused as this is a matter for the experts in these situations, the insurance companies and engineers. Our role in these complaints is to determine whether an insurance company has considered all the available evidence and whether it can justify its decision about repairs.

As part of its investigation, Advantage sent an agent to inspect the other driver's car. So it then relied on its own assessment of the damage rather than that provided by the other driver. Advantage kept costs down by using its own approved repairer, which would have provided competitive rates. And it replaced rather than repaired the door which it said would have been more costly.

When Mrs R raised concerns about pre-existing damage being included in the claim, Advantage carried out a desk-top consistency test that showed that the claimed for damage was likely to have been caused by contact with Mrs R's car. A copy of this has been provided for Mrs R.

It also reviewed the engineer's report and the repairs to ensure that they were claim-related and not pre-existing. Mrs R said she would provide an engineer's consistency report, but I can't see that she has done this. I can't see that Advantage had any other expert engineering evidence to consider, so I think it has justified its decision to carry out the repairs to the other car.

As our Investigator has already pointed out, Advantage decided to replace the entire door panel rather than repair it because of cost. This meant that any pre-existing damage would have been dealt with in any case, so I can't say that this would have caused Mrs R any detriment.

So I'm satisfied that Advantage reasonably investigated the claim and considered the evidence available when it carried out the repairs to settle the other driver's claim. I'm satisfied that it's entitled to do this by the policy's terms and conditions, and so I can't say that it treated Mrs R unfairly or unreasonably.

The outcome for Mrs R is that she has a fault claim on her record, and she has told us this has affected the cost of her insurance. She wanted Advantage to remove this marker, but I'm satisfied that Advantage is obliged to record accurate claims information. And, as Advantage hasn't recovered its outlay and liability isn't in despite, then a fault claim should be recorded. So I can't require Advantage to remove this. I think it's worth noting that a fault claim would have been recorded regardless of the cost involved.

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 R to accept or reject my decision before 27 January 2025.

Phillip Berechree
Ombudsman