

The complaint

Mr M is complaining that Nelson Insurance Company Ltd (Nelson) declined a claim he made on his commercial vehicle insurance policy.

Nelson used another company to handle the claim on its behalf. But I shall refer to anything that company did as being done by Nelson.

What happened

In November 2023 Mr M says he was involved in an accident with a third party's vehicle. So he contacted Nelson to claim for the damage to his car. Nelson said his car was a total loss so it said it would settle the claim by paying him the car's market value, less his excess. And it said it would pay him £3,403. Mr M disputed this amount. Nelson later advised him it had some concerns regarding the claim.

Mr M later raised a complaint about the way Nelson had handled his claim. He said it had unreasonably delayed paying it, which meant he'd had to pay to hire a car. He also said it had ignored his correspondence. Nelson didn't uphold his complaint as it said a forensic engineer had inspected both cars and didn't think the respective damage was consistent.

I issued a provisional decision not upholding this complaint and I said the following:

"I should first set out that it's not my role to decide whether the accident happened in the way Mr M has said or not. My role is to consider whether I think Nelson has handled the claim fairly given the concerns it has. I think it has and I'll explain why.

I note Mr M has provided evidence that both cars were at the scene of the accident and I don't dispute that. But the forensic report Nelson has provided is very clear and detailed. I've found the engineer's conclusions to be persuasive. And he's concluded the damage to the two vehicles could not have occurred in the way described. I don't think it was unreasonable for Nelson to not settle Mr M's claim in light of this report.

I do note there was a period of time where Nelson didn't communicate with Mr M and it did delay investigating Mr M's complaint. But I'm not persuaded Mr M has lost out as result of this. Mr M would still be in the same position he's in now even if Nelson had been more proactive in its communication. I note Mr M has said he's suffered a lot of stress and sleepless nights as a result of this. But I think this is down to Nelson's decision to not cover his claim, which I don't think was unfair. And taking everything into consideration, I don't think Nelson needs to pay any compensation in this case."

Mr M didn't agree with my provisional decision. He maintained the accident happened as he described. He thinks it's unfair he and his wife and being treated as fraudsters. He said he and his wife were willing to attend court to attest to the accident being genuine. He also queried why Nelson would offer him a settlement if they had suspicion over the accident. He thinks these issues only arose because he disputed Nelson's initial settlement value. He asked me to reassess the complaint, not only based on the engineer's report, but also to take into consideration the witness statements.

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've considered Mr M's response to my provisional decision, but I've come to the same conclusion as before. Mr M asked me to consider the statements he and witnesses provided. But, ultimately, the engineer report is clear the accident could not have happened in the way described. For the reasons I set out in my provisional decision, Nelson was entitled to take this into consideration. I note Mr M says Nelson only had concerns after he queried the settlement amount, but I'm not persuaded that's the case. But, regardless of that, the engineer's report is clear. And I've still not seen anything to show Nelson's decision to not settle the claim was unfair. So I have nothing to add to what I said before.

My final decision

For the reasons I set out 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 Mr M to accept or reject my decision before 13 January 2025.

Guy Mitchell

Ombudsman