

## **The complaint**

Mrs C and Mr P complain about how Covea Insurance plc (Covea) dealt with a claim under their motor insurance policy, deeming them to be liable.

References to Covea in this decision include their agents.

## **What happened**

In November 2022 Mrs C and Mr P were involved in an accident, involving a collision with a third party vehicle, while waiting at a red signal at traffic lights. Mrs C and Mr P contacted Covea to tell them about the incident. The third party submitted a claim to Covea for personal injury from the collision.

Covea considered the circumstances of the incident, which involved conflicting versions of events from the two parties. The third party said Mrs C and Mr P hit them in the rear. In their statement about what happened, Mrs C and Mr P said the third party vehicle was in front of them and looked like it was coming towards them. They also said they didn't recall seeing reversing lights on the third party vehicle and they didn't feel or hear contact with the vehicle. They said the third party driver got out of their vehicle and seemed fine.

Covea commissioned a report from an investigation firm (EW), who visited the location of the accident. Their report concluded the road where the accident happened was straight and flat, with no gradient that would allow the third party vehicle to roll backwards (as Mrs C and Mr P had thought). On Mrs C and Mr P not seeing any reversing lights, EW thought this might suggest they hadn't seen the reverse lights activate or their vehicle may have crept forward, making minor contact with the rear of the third party vehicle. EW concluded that a 50/50 split of liability would be the most favourable outcome, but a high possibility liability would have to be admitted. But they concluded the possibility of injury from the incident would be highly unlikely, due to the lack of significant damage to both vehicles and the low-speed impact described by Mrs C and Mr P.

Separately, Covea had Mrs C and Mr P's vehicle inspected by an engineer (W) shortly after the accident. In their report, W concluded there were no signs of any recent damage to the vehicle, impact marks to the front (or rear) bumpers or signs of displacement to the bodywork. Nor were there any signs of recent repairs being carried out or paint transfer (from another vehicle).

Covea concluded there wasn't any evidence to support Mrs C and Mr P's version of events. The road was flat, so no reason for the third party vehicle to roll back into Mrs C and Mr P. Based on the evidence, they concluded they couldn't support the claim being non-fault on the part of Mrs C and Mr P, so they would have to deem the claim to be a fault claim and concede liability. But they didn't accept the claim for personal injury from the third party.

Mrs C and Mr P were unhappy at Covea's decision, so they complained. They referred to changes in the third party's version of events and offered to take the issue to court.

In their final response Covea didn't uphold the complaint. They said they had pursued the claim as non-fault. But having reviewed all the evidence available they weren't able to pursue the claim as non-fault due to a lack of evidence, so they had to accept liability. Mrs C and Mr P then complained to this Service. They were unhappy at Covea deciding liability against them, saying the third party had given differing versions of events. Their engineer had concluded there was no evidence of an impact to their vehicle. They'd lost their No Claims Discount (NCD) and found the experience very stressful. They wanted Covea to apologise and reinstate their NCD.

Our investigator didn't uphold the complaint, concluding Covea didn't need to take any action. He referred to the policy conditions providing for Covea to take over and conduct defence and settlement of any claims as they saw fit ('subrogated rights'). He thought Covea acted as he would expect in exercising those rights, including instructing EW and W to report, respectively, on the circumstances of the accident and the condition of Mrs C and Mr P's vehicle. They also obtained the inspection report of the third-party vehicle, showing minor damage to the rear bumper and misalignment from the bodywork. The investigator concluded Covea's decision on liability was supported by the evidence, including the inspection and investigations of W and EW, together with the third-party vehicle inspection.

Mrs C and Mr P disagreed with the investigator's view and asked that an ombudsman consider the complaint. They maintained there had been no collision and in their view this was a scam, something they'd told Covea on the date the accident happened, before any third-party claim had been received. They added the third party had got out of their vehicle at the traffic lights, took a photograph of their vehicle and aggressively asked for their number. The third party said they had driven into their vehicle – but there was no contact and no visible damage to the third party vehicle. Mrs C and Mr P also questioned whether there was any evidence of damage to the third-party vehicle. They also maintained they said the third-party vehicle rolled towards them but there was no impact. They felt Covea had accepted the third party's position, whereas they (Mrs C and Mr P) had provided firm evidence there was no contact (as shown by the inspection of their vehicle).

### **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.

My role here is to decide whether Covea have acted fairly towards Mrs C and Mr P.

The key issue in Mrs C and Mr P's complaint is whether Covea acted fairly and reasonably in holding them liable for the accident. They say there was no collision and accuse the third party of a scam. They said the inspection of their vehicle confirmed there was no damage and questioned whether there was evidence of damage to the third-party vehicle. Covea say they assessed the circumstances of the incident, including the evidence from the inspection by W and investigation of the accident location by EW, as well as photographs from the inspection report on the third-part vehicle. Based on this, they wouldn't be able to maintain the claim as non-fault, concluding they would have to deem the claim as a fault claim.

In considering the issue, I'd first want to recognise what Mrs C and Mr P have told us (and Covea) about the circumstances of the accident and that there wasn't a collision, and that the incident was a scam by the third-party at fault for the accident. I don't doubt the strength of Mrs C and Mr P's feeling on this issue. But it's not for this Service to determine liability for an accident and whether a claim should be deemed a fault claim (or a non-fault claim). It's to decide whether Covea acted fairly in the circumstances of the incident and the evidence available to them.

The policy terms, as they do in motor insurance policies more generally, provide for Covea to assess claims and determine liability. Under a heading *Accidents and claims* in the *General Conditions* section of the policy it states:

*“The insurer is entitled under this policy to:*

- Take over and conduct the defence and settlement of any claim in your name or in the name of any other person insured by your policy...”*

Having established the right of Covea under the policy to take over, defend and settle the claim from the third party, I've considered Covea's handling of the incident.

As noted above, they had Mrs C and Mr P's statement on the circumstances of the accident. They also had the evidence from the investigation of the accident location by EW, together with the inspection of Mrs C and Mr P's vehicle by W.

Taking EW's report first, the key parts of their report are as follows:

*“...[the] road is long, straight and flat and at the traffic lights where the incident occurred prior to the junction...there is no gradient on the carriageway which would have allowed the third party vehicle to roll backwards.*

*We acknowledge that your policyholder believes this to be the case, but the lack of any uphill gradient at this incident location would suggest that it would not be possible for the third party to roll backwards.*

*We also recognise that your insured did not see any reverse light on the third party vehicle either. This would suggest her has just not simply seen the reverse lights activate, or it has been he who has allowed his vehicle to creep forwards and make minor contact with the rear of the third party vehicle.”*

The report goes on to conclude 50/50 liability may be the best outcome, but a high possibility liability would have to be conceded by Covea. But it does conclude the possibility of injury being sustained in the incident would be highly unlikely, given the lack of significant damage and the low level impact.

Turning to W's report from their inspection, the key parts state the following:

*“The purpose of our inspection was to comment on the extent of the damage in relation to an alleged impact into a third party vehicle, the owner [Mrs C and Mr P] remembers the incident and is of the opinion the car in front gently rolled back in his car at a very slow speed.*

*Following our detailed inspection we can advise that there are no signs of any recent damage to the vehicle. There are no signs of any recent impact marks to the front and rear bumpers and all body gaps are correct with no signs of any displacement. There are no signs of any recent repairs having been carried out or paint transfer.”*

W's report also strongly suggested the third party vehicle is inspected to ascertain causation. Covea obtains the inspection report, showing minor damage to the rear bumper.

Taking all these points into account, I've concluded Covea considered the circumstances of the incident and the additional evidence from the reports they commissioned from EW and W, as well as the third-party inspection report. So, I think they acted reasonably in exercising

their right under the policy to settle the third-party claim because they couldn't maintain the position of a non-fault claim against Mrs C and Mr P.

Taking all these points into account, I don't think Covea have acted unfairly or unreasonably in the circumstances of this case, so I won't be asking them to do anything further.

### **My final decision**

For the reasons set out above, it's my final decision not to uphold Mrs C and Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr P to accept or reject my decision before 11 April 2025.

Paul King  
**Ombudsman**