

The complaint

Mr M complains at how Ageas Insurance Limited recorded a claim he made on his motor insurance policy. He also complains that he wasn't given a refund after cancelling his policy.

What happened

Mr B held a motor insurance policy with Ageas. When he drove through flood water he damaged his car, so he made a claim to Ageas for the damage caused.

Ageas accepted the claim and wrote Mr B's car off, settling his claim accordingly.

Mr M complains about how that claim has been recorded, he doesn't think it's fair its been recorded as a fault claim. He's also not happy that when the policy cancelled after Ageas wrote his car off, he wasn't given any refund of premium.

Ageas said it had recorded the claim correctly as a fault claim because there wasn't any party to recover its claim outlay. It said no premium was due upon cancellation either because the policy had done what it was intended to do – pay for Mr M's claim. It said the policy documents made this clear.

Mr M wasn't happy and brought his complaint to us.

Our Investigator didn't recommend it be upheld. She was satisfied the claim was recorded fairly and said Ageas made it clear to Mr M when he made it that it would be recorded this way. She thought Ageas was acting reasonably, and in line with Mr M's policy when not refunding any premium.

Mr M didn't agree and asked for an Ombudsman's 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.

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Having done so, I'm not upholding it. I'll explain why.

As our Investigator explained, a fault claim doesn't always mean the person was "at fault" for the incident. It means that the insurer wasn't able to recover what it paid on the claim from any other party responsible for it. So here, Mr M drove into flood water, no one was responsible for that, it was an accident. Ageas paid the claim, but had no one to recover the costs from. Therefore I'm satisfied Ageas was acting reasonably when recording this as a fault claim.

Like our Investigator, I've listened to the call Mr M made to report the claim. On that call, Ageas clearly state the claim will be a fault claim, and explain why.

I'm also satisfied Ageas was acting fairly in not refunding any premium when the policy cancelled. When a policy is cancelled, it's usually fair to refund any *unused* premium. But here, all the premium was used – Ageas paid Mr M's claim. As a general principle this is fair, but Ageas also makes it clear in Mr M's policy documents, saying *"If you've had a claim during the cover period, or something has happened which might lead you to make a claim, then you won't receive any refund."* This is not uncommon.

My final decision

For the reasons set out above, 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 9 May 2025.

Joe Thornley
Ombudsman