

## **The complaint**

Mr W complains about how Accredited Insurance (Europe) Ltd (Accredited) dealt with a claim under his motor insurance policy following an accident, specifically the time being taken to finalise the claim. Mr W is also concerned that the claim being open has led to an increase in his premiums.

References to Accredited in this decision include their agents.

This decision covers Mr W's complaint to this Service in November 2024, following Accredited's final response the same month. It doesn't cover events after that date.

## **What happened**

In December 2023 Mr W was involved in an accident. The circumstances of the accident involved Mr W taking avoiding action to prevent a collision with a third party vehicle (TP1) that was exiting a shopping centre. However, in taking the avoiding action, Mr W hit TP1 before then colliding head-on with a second third party vehicle (TP2).

Mr W contacted Accredited to tell them about the accident, saying TP1 were responsible for the accident. Accredited contacted TP1's insurer to hold them responsible for the accident. TP1 initially accepted liability but then their insurer contacted Accredited to dispute liability, saying Mr W's vehicle had launched towards the TP1 vehicle, hitting it before deflecting into the path of the TP2 vehicle, resulting in a collision. They also said they had dashcam footage supporting their position – but didn't have permission to share it with Accredited.

Accredited arranged for Mr W's vehicle to be inspected, leading to them deeming it to be total loss as the estimated repair costs exceeded the vehicle's pre-accident value. After some dispute with Mr W about the valuation of his vehicle, Mr W accepted Accredited's offer of £2,950 for the vehicle (after deduction of the policy excess of £250). Mr W also elected to retain the vehicle, for which a salvage deduction was made, leaving a net settlement of £2,374 which Accredited paid in March 2024. They contacted TP1's insurer seeking recovery of their outlay.

No response was received from TP1's insurer, leading Accredited to serve notice in May 2024 they would consider litigation if payment wasn't received. Mr W said he would be willing to attend court should it prove necessary.

TP2 contacted Accredited in June 2024 saying they wanted to make a claim to Accredited, as their policy wasn't comprehensive. Accredited arranged for the TP2 vehicle to be inspected, the result of which was the vehicle was also assessed to be a total loss (August 2024). As the innocent party in the accident, Mr W having collided with them while avoiding TP1, Accredited said they were obliged to deal with the claim and then seek reimbursement from TP1's insurers, once liability had been accepted. The claim was passed to solicitors appointed by Accredited to pursue recovery from TP1 insurers.

Mr W was unhappy at the length of time matters were taking, while maintaining he wasn't at fault (liable) for the accident. That being the case, he wasn't happy that Accredited settle

TP2's claim. He was also unhappy at the impact the open claim had on his premium, which increased significantly. So, he complained to Accredited (in September 2024).

In their final response, issued in November 2024, Accredited didn't uphold the complaint. They referred to the sequence of events from the accident, including the TP1 insurer's dispute of liability for the accident. For their part, Accredited said they'd instructed solicitors to consider proceedings and were continuing to pursue recovery of their costs, including any costs of settling TP2's claim (as they were obliged to do as Road Traffic Act insurers). They couldn't close the claim until they'd received an admission of liability and recovery of their costs from TP1's insurers, and the process could take longer than anticipated.

Unhappy at Accredited's final response, Mr W then complained to this Service. He didn't think Accredited were doing enough to resolve the issues with his claim and establishing liability for the accident with TP1. He was also unhappy at the impact the accident had on his insurance premium.

Our investigator didn't uphold the complaint, concluding Accredited didn't need to take any action. He noted Accredited had made several requests for the dashcam footage from TP1's insurer, but they didn't have the power to compel the footage to be provided. While there had been delays in settling the claim, this was primarily due to challenges in trying to obtain the dashcam footage, which were outside Accredited's control.

While Mr W's premium had increased, it was likely the open claim would have an impact, as it would do for any policyholder in similar circumstances. Once the claim was settled, Mr W's premium could be recalculated and, if appropriate, any reduction could be refunded. The investigator also noted evidence from Accredited the claim wasn't registered on the Claims and Underwriting Exchange (CUE) which would work in Mr W's favour, notwithstanding liability remained in dispute.

Mr W strongly disagreed with the investigator's view and asked that an ombudsman consider the complaint. So, the complaint has been passed to me to consider.

### **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 Accredited have acted fairly towards Mr W.

The key issue in Mr W's complaint is the time being taken for his claim to be resolved by Accredited. He says Accredited haven't done enough to bring matters to a conclusion (and for liability for the accident to be accepted by TP1's insurer). Mr W believes TP1 were responsible for the accident, as he took avoiding action to avoid hitting TP1. Accredited say they are actively pursuing an admission of liability from TP1's insurer, including obtaining the dashcam footage TP1's insurer says supports their case they weren't responsible. An additional issue is the effect of having an open claim on Mr W's premium, which he says has increased significantly.

I'd first want to say I recognise what Mr W has told us (and Accredited) about the circumstances of the accident and that he wasn't at fault for the accident. He says he took avoiding action to the TP1 vehicle as otherwise the collision would have been much worse and possibly fatal for the TP1 driver (given the respective types of vehicle involved and what would have been the nature of the impact). I can also see, from Accredited's case notes, that TP1 Insurer initially contacted Mr W after the accident to accept liability and say they would deal with his claim, only to then dispute liability a few days later. I don't doubt the strength of Mr W'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 Accredited acted fairly in the circumstances of – and following - the incident.

The policy terms, as they do in motor insurance policies more generally, provide for Accredited to assess claims and determine liability. Under *Section 17 – Claims Conditions* it states:

*“7 We shall be entitled to take over and conduct in Your name or that of any person entitled to indemnify under this policy the defence or settlement of any claim or to prosecute any claim in the name of such person. We or a solicitor appointed by Us shall have full discretion in the conduct or any proceedings and in the settlement of any claim and shall be given all such information and assistance as they may require.”*

Looking at the evidence available and the sequence of events, I think Accredited have done what I would expect them to do in the circumstances of this case. Having assessed the circumstances of the accident, they've sought an admission of liability from TP1 (through their insurers) and challenged them to provide the dashcam footage they maintain supports their decision to dispute liability for the accident. Accredited also sought recovery of their outlay settling Mr W's claim for the total loss of his vehicle (£2,374) from the TP1 Insurer immediately after they paid Mr W the settlement. There are subsequent chasing communications (April 2024) and notice of legal proceedings (May 2024 and again in September 2024).

Accredited have also instructed solicitors to pursue the issue of liability and (subsequently) recovery of their outlay in settling Mr W's claim (for the total loss of his vehicle) and the claim received from TP2.

I appreciate Mr W's frustration at the time being taken for the claim to be resolved (up to the issue of Accredited's final response in November 2024) but claims can take time to be resolved, particularly where there is a dispute over liability, as in this case. I can't hold Accredited responsible for TP1's disputing liability, although at some point Accredited will need to determine whether to take the dispute to court, given that TP1's insurer appears not to be willing to provide the dashcam evidence they say supports their decision to dispute liability. In making this decision, I recognise Accredited have discretion over that decision and settlement of the claim, as the above policy terms provide.

The circumstances of this case are also complicated by the claim received from TP2, which was made in June 2024, some six months after the accident. From the description of the accident, TP2 appear an innocent party in what happened, being in collision with Mr W's vehicle as he sought to avoid TP1. Given this, and TP2 not having comprehensive cover, then I agree Accredited would have to deal with the claim under the provisions of the Road Traffic Acts (1988). So, I don't think it reasonable for Mr W to say they shouldn't have dealt with the claim. However, I would expect – as happened here – for them to seek to recover their outlay on settling the claim from TP1's insurers. The claim from TP2 appears to have been settled around October 2024 and being pursued with TP1's insurers.

Taking all these points into account, I've concluded Accredited haven't acted unfairly or unreasonably in their handling of the claim, up to their final response issued in November 2024. As I've said, I appreciate Mr W's concern at the length of time the claim is taking, but the delays are primarily due to TP1's insurer disputing liability (and having to deal with the claim from TP2, which wasn't received until June 2024). I can't hold Accredited responsible for the actions of either party.

The other issue in Mr W's complaint is the effect on his premium, which he says increased significantly at policy renewal. I haven't considered the reasons for the increase in detail

(which wasn't considered or covered by Accredited in their final response). However, where there is an open claim, with liability in dispute, then generally it will have an impact on a policyholder's premium at subsequent renewal(s) as insurers typically include claims history as one of the risk factors they consider when setting premiums. The precise impact is likely to reflect the insurer's risk pricing model, but even where a no-fault claim is recorded, it's likely to have some impact on premiums, as many insurers take the view that any claim may increase the risk of a future claim.

However, when Mr W's claim is settled, then it would be open to him – should the claim be settled as non-fault, if Accredited recover all of their outlay settling Mr W and TP2's claims – to ask Accredited to recalculate his premium in that eventuality. Should that lead to a reduction in premium, then I would expect Accredited (or any future insurer) to refund the difference in premium.

### **My final decision**

For the reasons set out above, it's my final decision not to uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 1 July 2025.

Paul King  
**Ombudsman**