

The complaint

Mr R has complained about his car insurer Nelson Insurance Company Ltd because it has declined his claim for his car which he says was damaged in an accident.

What happened

In April 2024 Mr R made a claim to Nelson for an accident he said had occurred a few days before. He said he had been turning onto a main road, hadn't seen a car coming the other way and they'd collided – his front driver's side corner with the other car's passenger side front corner. He said there was no camera footage of the accident and the only witness was his passenger, a friend (who did not want to be contacted).

Nelson began investigating the claim. It thought the car would likely be a total loss and told Mr R so. In May 2024 it had an investigator interview Mr R and it had a forensic engineer examine both cars. Mr R was unhappy about how long the claim was taking and during July and August he chased Nelson. In September 2024 Nelson wrote to Mr R declining his claim. Nelson said its engineer had found that the damage to both cars was incompatible with the incident circumstances Mr R had given – so he was unable to claim for it. A few days later it told Mr R he could complain to the Financial Ombudsman Service.

Our Investigator considered the evidence Nelson had provided, including the forensic engineer's report. She was satisfied that Nelson had acted fairly and reasonably to decline the claim. But she noted Nelson hadn't communicated well with Mr R. She said it should pay him £100 compensation.

Nelson did not reply to our Investigator's view. Mr R said he was unhappy with the findings.

Mr R said you have insurance so that you can be covered for damage. It was unfair, he said, for Nelson to say the damage was incompatible. He said Nelson still had his car – although he doesn't want it back, he just wants a total loss settlement.

The complaint was referred 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.

Having done so, whilst I understand that Nelson's decision was disappointing for Mr R, I think it was fairly made. I'll explain.

Insurance is taken and provided with a view to offering cover for damage caused in certain circumstances. Such as in an accident. But the fact a car has suffered damage which may have been caused in an accident at some point does not mean that the policy would always respond to that damage. Rather, when a claim is made, it must be for a specific instance of

damage. It is for the claimant, in the first instance, to show they have suffered damage, through an incident, which is likely covered by the policy.

What that will mean will vary in each circumstance. But here, Mr R explained the circumstances of the crash, and both cars had some damage roughly in areas that would likely have been affected in an accident as described by Mr R. So, arguably, on the face of it, Mr R had shown he had a loss likely covered by the policy. It was then up to Nelson, if it wanted to decline the claim, to show those circumstances can't have happened as reported to cause the damage claimed for, or to show the claim was excluded for some reason.

Nelson chose to decline the claim. In its decline letter to Mr R, Nelson did not rely on any policy terms or exclusions. Rather it said the accident could not have happened as reported by Mr R.

To support its view that the accident had most likely not happened in the way reported, Nelson referred to the findings of its forensic engineer. It only shared a snippet with Mr R – given the whole report refers to the other car as well, I think it's fair that the full report has not been shared with Mr R. I'm satisfied it's something which can reasonably be treated as confidential, which means this Service can't share it with Mr R either. But I can confirm I have seen and considered the full report.

The report, in my view is compelling and persuasive. The engineer clearly viewed both cars and took into account all of the relevant circumstances. He sets out and clearly explains the damage found on both cars and why none of it is consistent with those two cars having collided together as described by Mr R. I'm satisfied that both Nelson's view that it's most likely that the accident did not occur as described and its decline of the claim are fair and reasonable. As such, I can't reasonably require it to settle Mr R's claim – in short he's not suffered a loss covered by the policy.

As Nelson has declined Mr R's claim, it should return his car to him. I can see it has instructed its agent to facilitate that – or to buy the salvage of the car from Mr R. Mr R should engage with the agent to make further necessary arrangements for the car.

I think Nelson handled matters in April and May 2024 in a reasonably timely manner. But once it had the statement for Mr R and the engineer's report, Mr R was left for long periods with no contact. He often had to chase for updates. It was also then a long time before Nelson told Mr R it was declining the claim. As it declined it based on the engineer's report alone, I'm not sure why it took four months for it to do that. It should have acted in a more timely manner and communicated better with Mr R. If it had he wouldn't have needed to chase it and he wouldn't have become so frustrated. I'm satisfied £100 compensation is fairly and reasonably due.

My final decision

I uphold this complaint in part. I require Nelson Insurance Company Ltd to pay Mr R £100 compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 25 June 2025.

Fiona Robinson
Ombudsman