

The complaint

Miss H complains about the manner in which QIC Europe Limited dealt with a claim against her motor insurance policy.

Miss H's policy is branded in the name of one of QIC's managing general agents (MGA). And the MGA has handled the claim and responded to the complaint. But QIC underwrites the policy. That means it remains responsible for claims decisions, even where, as here, it has delegated that responsibility to its MGA. So, for simplicity, I've only referred to QIC within this decision even though the actions were taken by its MGA.

Miss H's parents have helped her to bring this complaint. But for ease of reading I will refer to her parents' comments as being Miss H's.

What happened

At the time of events complained about, in January 2022, Miss H was a learner driver. She insured her car with QIC. She was insured to drive on the basis that she had a suitably qualified passenger as a 'supervisor'.

Miss H was pulling out from a junction when her car came together with another car, in front of her, travelling forwards.

The other driver claimed for the damage to his car and for personal injuries against Miss H's policy.

When QIC were looking into the claim it noted that Miss H's supervising driver didn't meet the policy criteria to act as a supervisor. So it said that at the time of the accident Miss H wasn't covered.

Miss H signed a consent form to allow QIC to deal with the claim. QIC said that it would recover its outlay from her.

In November 2023 QIC settled the third party's claim. The following month, December 2023, QIC wrote to Miss H. It said it had settled the third party driver's claim for a sum over £40,000. That sum included the costs of replacing the third party's damaged car, hire car costs, compensation for his personal injuries and ancillary charges and fees. QIC asked for Miss H's proposals to repay that sum.

Miss H didn't think QIC had handled the matter fairly and complained. In its complaint response QIC acknowledged that some of its communications could have been better and that it had made some errors with figures. It said that the total claim costs were £43,730.90. That included £30,000 compensation for the third party driver's personal injuries. But in recognition of the impact of its mistakes it would reduce the amount it was asking Miss H to repay to £43,000.

Miss H brought her complaint to the Financial Ombudsman Service. One of our Investigators looked into it. He didn't think QIC needed to take any further action. Miss H didn't agree with our Investigator's complaint assessments so the matter's been passed to me to determine.

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.

In bringing this complaint and responding to our Investigator's assessments of it, Miss H's made many points. I've considered everything she said and everything on file. But in this decision I don't intend to address each and every issue raised. Instead I will focus on what I see as the key outstanding points following our Investigator's complaint assessments.

I'll briefly say that I have great sympathy with the position Miss H finds herself in. She didn't appreciate that her passenger didn't satisfy the criteria for a supervising driver as set out in the policy. In fact as I understand it he didn't satisfy the criteria as a supervising driver as set out by law. That's because he hadn't held his driving licence for three years, which is the legal requirement to be a supervising driver. And as her policy only covered Miss H when she was driving with a suitably qualified passenger she wasn't covered at the time of the accident. As a result while QIC said it would deal with the claim on her behalf it also required her to repay its outlay.

Miss H signed a consent form which gave QIC full authority to settle the claim as it saw fit. That meant it didn't require Miss H's agreement to accept liability or to make an offer of settlement. So QIC wasn't required at any stage to ask Miss H for her views on whether or not she agreed with the actions it was taking. I'll add that this is not unusual. And like all motor policies I'm aware of, Miss H's policy has a similar term that allowed QIC to decide claims on her cover in a similar manner. And as long as it takes such steps reasonably I think that's fair.

My understanding is that, at the time that Miss H signed the consent form, the anticipated total costs of the claim were in the region of £8,000. So I can understand her shock at being asked to pay £43,000. That's especially the case as, when she was told of the true costs, she wasn't in full time employment and so didn't have the means to repay a sum of that nature. Miss H says that when she signed the consent form QIC didn't give her any indication that the costs could rise and she feels that it "coerced" her into signing the consent form.

I've thought about this very carefully. I don't know precisely what was discussed when Miss H agreed to sign the consent form. But the evidence on file is that, initially at least, QIC thought that the claim settlement would be relatively modest. The third party driver's solicitors had submitted his claim for injuries through the Ministry of Justice's (MOJ) claims portal which limits claims for personal injuries to £5,000. So, it's reasonable that QIC would have thought that the total cost of the claim would be relatively modest and it had passed that information on to Miss H. I don't think that was unfair.

However, the third party's injuries turned out to be more complex than initially suspected. A number of medical specialists examined him and provided court compliant medical reports setting out the extent of his injuries and their likely timescales to heal. The third party's solicitor then withdrew the personal injury claim from the MOJ portal route – as its value exceeded that limit. But I don't think QIC could reasonably have anticipated this was likely to happen, meaning it should have warned her, at the time Miss H signed the consent form.

It would have been helpful if QIC had let Miss H know that, given the claim wasn't finalised when she signed the form, that there was a possibility that the claim cost could rise. But it had no way of knowing that would happen or was likely to happen. And, even if QIC had made Miss H aware of that possibility, I don't think she'd have been in a different position now.

Miss H might think that if QIC had let her know that the claim would be around £43,000 then she wouldn't have given consent for it to handle the claim. But if she hadn't signed the consent form then the third party could have pursued a claim against Miss H herself. She would then have been tasked with defending the claim herself, including finding suitable legal representation and bearing the costs associated with such a defence. If the matter

went to court and the court found that she was liable for the accident and to pay for the third party's damages and personal injury claim, the court would have issued a judgment against her.

I'm aware that Miss H believes that the third party was at fault for the accident because he drove too fast. But Miss H has no actual evidence, beyond her comments, on the speed that third party was driving at. The only independent witness to the accident didn't want to attend court. And in any event he told QIC's investigator that he thought Miss H was at fault for the accident. So I don't think Miss H had any real prospect of defending the liability aspect of the claim.

Further I'm aware that Miss H is unhappy that QIC hasn't shared the details of the third party's injuries with her. And it appears she believes that those might have been exaggerated. But, as I've said above, a number of medical specialists provided court compliant reports detailing the extent of the third party's injuries. So unless, in her defence of the claim, Miss H could have found and paid for other medical specialists who were prepared to provide counter evidence to the medical reports already provided, it's likely a court would always have accepted that the extent of the third party's injuries was as the medical reports described.

I'll add that there is guidance on the scale of compensation payable for certain injuries depending on their severity. I've seen that QIC referred to this guidance before offering to settle the third party's personal injuries claim. And it would appear that QIC's offer to settle the claim was in line with that guidance. I'm not a lawyer nor an expert in personal injury claims, but if Miss H had decided to defend the claim herself, from what I've seen, I think it's unlikely that a court would have awarded significantly less compensation than QIC offered to the third party.

In those circumstances, if Miss H had refused to sign the consent form, as I've said above I don't think she would have been in a materially better position. That is it's likely that a court would have issued a judgment for significant and not dissimilar compensation against her. Also she would have had the added stress and inconvenience of having to defend the claim herself as well as incurring the costs of instructing solicitors to do so.

Miss H has said that if QIC had made her aware that the claim costs could rise as they did she would have added an additional clause to the consent form. But I'm not sure what clause she believes she could have added that QIC would have agreed to. It's unlikely to have agreed to any clause which, for example, imposed a ceiling on the amount Miss H agreed to repay. In those circumstances it's likely QIC would have simply refused that clause and insisted that she either sign the consent form as presented or try to defend the claim herself. In those circumstances I think it's likely she would have signed the consent form without any additional clause.

So, as I've already said, even if QIC had taken more time to explain the process and the possible scenarios about what might transpire including the potential for rising claim costs, I don't think Miss H would have been in a materially different position. QIC could have been clearer that it would take over handling the claim completely and she wouldn't have a say in that. But that wouldn't have altered how the claim progressed or the outcome which resulted. And, as I've said above I don't think QIC could reasonably have known that the third party's injuries would turn out to be more complex and debilitating than first suspected.

I do understand Miss H's shock at being presented with such a huge sum to repay after the claim had been ongoing for almost two years. But while, perhaps, QIC could have done more to manage her expectations, that wouldn't have reduced the sum it asked her to repay. For example I've noted that QIC offered to settle the third party's personal injury claim for £30,000 in May 2023, which the third party accepted. It would have been helpful if it had told Miss H that the third party had accepted that offer. But it didn't require Miss H's agreement to make the offer and, at that time, the final costs of the claim were still not finalised. So it's

likely that, at that point, QIC could have only given Miss H a rough estimation of how much the claim was eventually going to cost. But, while she might have learned of that earlier, given the sums involved it would have most likely been around the same figure. In those circumstances I doubt any shock would have been significantly reduced.

As I noted above, Miss H has complained that QIC hasn't shared the third party's medical reports with her. But I doubt it would be allowed to do that for data protection reasons. Medical reports hold sensitive personal information. A third party's personal information is not generally shared with other policyholders involved in a claim.

I'll also add that it is not in QIC's interest to pay out any more than it needs to. After all it can't be certain that it will recover all of its outlay from Miss H or that she will make any repayment promptly. So it's in its own interests to keep the claim settlement as low as possible. And I don't think QIC has done anything wrong in settling the claim as it has while refusing to share the third party's evidence with Miss H.

That said QIC has acknowledged that its communication could have been better. It didn't, generally, proactively keep Miss H informed of developments and there were times when it significantly delayed in replying to Miss H's emails. But it's recognised the impact of those failings when it reduced the sum it is asking Miss H to pay by £730.

I appreciate that this £730 reduction might not seem significant compared to the overall costs of the claim. But in terms of a figure for compensation, which is what the reduction is, it's in line with amounts I would award in cases where a business's errors or omissions have caused a consumer considerable distress, upset or worry over many weeks or months. And I think its compensation is reasonable in the circumstances here.

My final decision

For the reasons set out above I make no further award against QIC Underwriting Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 6 August 2025.

Joe Scott
Ombudsman