

The complaint

Mr M complains that Zurich Insurance Company Limited mishandled a claim on his motor insurance policy.

What happened

Mr M had a motorhome, first registered in 1992.

For the year from 3 February 2024, Mr M renewed a comprehensive policy for the vehicle. The policy documents said that he had eight years no-claims discount (“NCD”) which was “protected”.

The policy documents also said the following:

“DRV - Driveway This insurance excludes Section 2 - Loss of or Damage to Your Vehicle when it is parked at your declared place of residence, unless your vehicle is parked on your own private property, which is directly attached/connected to your main dwelling.”

The policy was branded with the name of a company described in the policy wording as a “general managing agent”.

Zurich was the insurance company that was responsible for dealing with any claim on the policy. Much of the complaint is about acts, omissions and communications of agents on behalf of Zurich. Insofar as I hold it responsible for them, I may refer to them as acts, omissions and communications of Zurich.

On about 3 May 2024, Mr M notified Zurich that smoke had come out of the dashboard of his vehicle. He didn’t pursue a claim.

Mr M reported that on 1 August 2024, his vehicle had hit the rear of a third party’s small car. No police or ambulance attended. Mr M didn’t make a claim for damage to his own vehicle. However, the third party made a claim including for personal injury and vehicle damage. Zurich paid the third party or her solicitors about £3,600.00.

On about 2 December 2024, Mr M again reported that smoke had come out of the dashboard of his vehicle, but he didn’t wish to make a claim.

Zurich declined to renew the policy for the year from 3 February 2025. It said this was because of the two incidents of smoke and because Mr M was parking the vehicle in a communal car park.

Mr M complained to Zurich that it had unfairly recorded the three incidents, making his insurance unaffordable.

By a final response dated 7 March 2025, Zurich turned down that complaint. It said that it had to settle the third party's claim. It said that it had removed the other two incidents from the Claims and Underwriting Exchange ("CUE") database.

Mr M brought his complaint to us in mid-March 2025.

Our investigator didn't recommend that the complaint should be upheld. He thought that the insurer had followed the policy terms and exercised its discretion fairly and reasonably when deciding to settle the case.

Mr M disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- He caused no damage.
- He has a witness.
- The claim was fraudulent. It's a scam.

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.

Zurich's policy terms included the following:

"Claims handling

...

5. We are entitled to take over, defend or settle any claim under this policy in the name of you or any other person covered by this policy and we are entitled to take legal action in any such name to recover any payments we make."

The effect of that term was that – on a question of how best to deal with a third party's claim – Zurich's view would prevail over Mr M's view. That's not unusual in motor insurance.

I will consider whether Zurich treated Mr M fairly. Unlike a court, we don't hear evidence from each driver and decide the extent to which either of them is responsible for causing injury or damage.

I've seen that Zurich took into account Mr M's report of the accident. On 6 August 2024, he confirmed there had been no photographs or dashcam footage.

In mid-August 2024, Mr M said that he had a witness but he declined to give contact details. So Zurich couldn't do any more about that.

Zurich received a claim from the third party and had to decide how best to deal with it.

That claim was supported by an engineer's report on the third party's car.

The claim was also supported by medical evidence.

I'm satisfied that Zurich considered all the available evidence.

Zurich decided that, rather than incur the costs and risk of defending court proceedings, it would settle the third party's claim.

As Mr M's vehicle had hit the rear of the third party's car, I don't consider that Zurich's decision was unreasonable or treated Mr M unfairly.

From Zurich's underwriting guidelines, I'm satisfied that Zurich declined renewal for Mr M in the same way as it would for anyone else in his situation.

Zurich recorded a fault claim against Mr M. I find it likely that this was the main factor in the quotes from other insurers.

However, I haven't found that Zurich's decision was unreasonable or treated Mr M unfairly. So I don't find it fair and reasonable to direct Zurich to change the record of the fault claim, or to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Zurich Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 October 2025.

Christopher Gilbert
Ombudsman