

## **The complaint**

A limited company, which I will call B, has complained about the handling of a claim under its commercial vehicle insurance policy with Allianz Insurance Plc.

Mr J, as director of B, has brought the complaint on its behalf.

## **What happened**

In May 2023, Allianz was contacted by a third-party insurer to say that one of B's vehicles had reversed into the third party while they were parked and claiming the cost of the damage from B.

Allianz contacted Mr J to ask for information about the incident. Mr J initially said it was a false claim and no incident had happened. Allianz continued to ask Mr J for information. Mr J complained about Allianz dealing with the claim. Allianz issued a final response letter to the complaint in August 2023. Allianz told Mr J it was obliged to deal with the claim from the third party and B had obligations to cooperate and provide whatever information was required to deal with it properly. That complaint was not referred to us within six months of the final response, so we cannot consider the subject of that complaint.

In September 2023, Mr J provided a statement and completed an accident report in which he said there had been an incident but he thinks the third-party car had rolled into his vehicle. Allianz initially disputed the claim with the third-party insurer and denied any liability but later it said it could not reasonably defend the claim and settled the claim in full (albeit it reduced some car hire charges).

Mr J is extremely unhappy that Allianz accepted liability and with the amount paid to the third-party. He is adamant that this is a fraudulent claim, the repair and hire costs claimed are exaggerated and says the third-party should be reported to the police. Mr J raised another complaint with Allianz about this.

In response, Allianz agreed that it should not have accepted full liability for the incident and that it should have been settled on a 50/50 basis instead. Allianz said it would only take into account 50% of its outlay on the claim when calculating B's next renewal premium. It also offered B £250 compensation for the inconvenience caused.

Mr J remained unhappy with Allianz's response and referred the complaint to us. He says this matter has had a significant impact on his health, as well as causing a loss of trust in people. Mr J wants compensation for this and his time dealing with this matter; as well as a punitive award being made against Allianz as he considers the entire situation unfair.

One of our Investigators looked into the matter. He was satisfied that Allianz was entitled to determine settlement of the third-party claim. It had asked for suitable evidence to support the amounts claimed and disputed some of the credit hire costs and a lower sum was agreed. The Investigator thought Allianz's offer in settlement of the complaint was fair.

Mr J does not accept the Investigator's assessment. He is adamant nothing should have been paid to the third party at all and Allianz did not properly investigate the invoices and quotes submitted.

Mr J also says that the £250 compensation was not paid to him and his premium at renewal in 2024 was higher than it should have been because of the claim being recorded as 100% his fault. He expects 50% of the increase in premium refunded.

The Investigator asked Allianz about the premium. On 10 July 2025 it said that the claim had no adverse effect on the terms offered to B on renewal.

As the Investigator has not been able to resolve the complaint, it has been passed to me.

*"B's policy states that Allianz has the right to: "take over and conduct, in Your name, any claim or proceedings" and "settle a claim by paying the amount in dispute..."*

*Mr J considers this unfair. However, most, if not all, motor insurance policies contain similar terms and we do not consider this unfair or unreasonable. Therefore, Allianz has the right to settle a claim in a way it considers reasonable, without the need for B's agreement or consent.*

*However, insurers are required to exercise such discretion reasonably. I have therefore considered carefully what happened here.*

*Allianz had an obligation to deal with the third-party's claim against B. It could not have dismissed it out of hand or not replied and could not have passed it to Mr J to deal with.*

*Allianz asked B for its comments and B initially said there had been no incident and the claim was fraudulent. Later B said there had been a collision but it was not at fault, as the third-party vehicle had rolled into its stationary vehicle. The third-party said B's vehicle had reversed into their vehicle.*

*There were phone messages between B and the third-party provided, which showed they had exchanged details at the scene. There was also a message from the third-party that they had taken the car to a garage and provided a repair quote, in response to which B said they would report them.*

*There is no other evidence as far as I am aware, such as CCTV footage or witnesses to support what either B or the third-party said happened.*

*It's not my role to decide liability, only whether Allianz has acted fairly and reasonably in carrying out its obligations as an insurer. I note Mr J's strength of feeling about the third-party and their claim but given the evidence provided about the incident, I see no reason to suggest Allianz should not have accepted any liability for the incident.*

*Mr J says if the third-party had been forced to take the matter to court, he would have defended the claim and won but this is far from certain and there is no reliable evidence that Mr J would have been able to defeat the claim entirely. If Allianz had thought there were reasonable prospects of succeeding to defend the claim entirely, it would have done so. It has no incentive to not defend claims where it thinks it has reasonable grounds to do so.*

*Allianz has since agreed it should not however, have accepted full liability and should instead have agreed to a 50/50 split. I agree this is reasonable given the lack of*

*independent evidence to establish exactly what happened. This would still mean that a payment would be made by Allianz to the third party but of 50% of the amount claimed.*

*Allianz considered the evidence supporting the financial claim and had it reviewed by its own in-house engineers. It disputed the car hire charges and had those reduced but I can see no reliable evidence that it acted unreasonably in accepting the expenses were properly made out. Having agreed to pay the full amount, it cannot recoup that from the third-party insurer but it agreed to amend B's record and only take account of 50% of the outlay when calculating the next premium.*

*However, B's policy renewed while this was ongoing in March 2024 and the full settlement was applied when calculating that premium. I do agree with Mr J that the 50/50 split should be applied to the 2024 renewal, given Allianz has accepted it should not have accepted full liability. However, this does not mean B gets 50% of the increase in premium back.*

*Allianz's underwriting team have recently confirmed that the premium in 2024 went up by around 23% due to this claim, as well as another claim in the 2023/24 policy year and three other claims in the period 2020 and 2023. It said if it had known this claim was being recorded as split liability it would have increased the premium by 20%, instead of 23.9%.*

*From the information provided to me, I think this means B should have been charged around £489 less in 2024. (The premium was set at £15,471 plus tax, which was a 23.9% increase on the previous premium of £12,485, but then reduced by £798 to £14,673 plus tax following unspecified changes. So, applying 20% to £12,485 and then deducting the £798 means a premium of £14,184 plus tax, instead of £14,673 plus tax.)*

*I am aware Mr J has not seen this evidence before. I will arrange for the Investigator to ask if it agrees to us sending the underwriting details to him. Either party can also provide comment on my calculations but in the meantime, I think Allianz should refund the sum of £489 to B, together with interest.*

*Finally, I can see how stressful this has been for Mr J. However, I can only consider and make an award that recognises the impact of any wrongdoing by a financial business on an eligible complainant. In this instance, the eligible complainant is a limited company, rather than any individual. A limited company cannot suffer distress or frustration. I can however, consider any inconvenience caused to B. Having considered everything, I think the offer already made by Allianz is reasonable compensation for what happened here and do not intend to require them to make any other payment."*

## **Responses to my provisional decision**

I invited both parties to respond to my provisional decision with any further information or evidence they want considered.

Allianz has not added anything further.

Mr J does not accept my provisional decision. He has made a number of further submissions I have considered everything he has said and have summarised his main points below:

- I have failed to take into account the most important aspect of this claim, *i.e.* the original attempted fraudulent contact by the third-party in which he stated that through the books his best quote for the repairs was £600 pounds, but that he would take £300 cash.
- Allianz lied to say it didn't have a copy of these messages when it did.
- This clearly pointed to this being a fraudulent claim but Allianz just processed it knowing it could just load his premium to recover their costs.
- It should at least have appointed loss adjusters.
- It was for the third-party claimant to prove his claim against him and Allianz made no attempt to authenticate amounts claimed.
- The photos of the damage showed there was minor damage to the third-party's number plate only that would not justify the amounts claimed.
- The clause that allows Allianz to take control of the claim is an unfair term, as it used the clause to unfairly disadvantage him.
- Allianz should have carried out a full forensic investigation or reported the matter to the police for investigation.
- Mr J says he feels let down by Allianz and this service.
- We should have also spoken to his broker, who has confirmed 50% of the increase in premium was because of this claim, and not just taken Allianz's word for it. He therefore does not accept the proposed refund of premium is enough.

### **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.

As explained in my provisional decision, it is not for this service to determine liability for any car accident. Rather I have to determine whether Allianz has acted fairly and reasonably in carrying out its obligations as an insurer.

I realise how strongly Mr J feels about this matter but having received a claim from the third-party's insurer, Allianz was obliged to deal with it.

Mr J thinks it should have investigated forensically the accident, appointed loss adjusters and/or asked the police to investigate. I do not consider there is any evidence that Allianz should have taken these steps. Allianz is entitled to consider whether to challenge any claim or not, based on its knowledge and experience of how likely it is the courts would be persuaded that its own insured was not liable for the accident.

In this case, there was no independent evidence (such as CCTV or independent witness reports). Essentially, it came down to one word against the other. Mr J is adamant that the phone messages he received, that talked about a cash offer not to go through the insurance, proves the claim was fraudulent but I don't think Allianz acted unreasonably in not agreeing with this. The other insurer provided evidence of the repairs required and these were reviewed and checked by Allianz. I am not persuaded that it was unreasonable for Allianz to accept the view of its inhouse engineers about this evidence.

Having considered everything carefully again, as well as Mr J's response to my provisional decision, I remain of the opinion that there is nothing to support that Allianz should not have accepted any liability for the incident.

As it essentially came down to Mr J's testimony against that of the other driver, I also agree that it should have settled it on a split liability basis, rather than accepting 100% liability

Allianz agreed to amend B's record and only take account of 50% of the outlay when calculating the next premium but the policy had already renewed in the meantime, based on the 100% outlay for this claim.

I remain of the opinion that Allianz should therefore recalculate the premium charged in 2024 and refund the amount by which it increased as a result of paying 100% of the other driver's claim, rather than 50%. Allianz has provided evidence from its underwriters that I assessed meant B was charged £489 more in 2024 as a result of this.

Mr J disputes this and maintains his broker told him that half the increase in premium in 2024 was due to the claim being recorded as entirely B's fault. He says I should have contacted the broker about this, I have not done so and I do not consider I need to in order to fairly determine this complaint. I say this because it is Allianz that sets the premium and the broker would not be able to verify the particular underwriting calculations involved. I am satisfied that it is appropriate to accept the evidence provided by the underwriters at Allianz about this.

Neither party has provided any comment on my calculations. I therefore still consider that Allianz should pay B £489, together with interest, in settlement of this complaint. This is also still in addition to the £250 compensation it had already offered.

### **My final decision**

I intend to uphold this complaint against Allianz Insurance Plc and require it to do the following:

1. pay B the sum of £489 in reimbursement of the part of the premium charged in 2024, together with interest at 8% simple per annum from the date the premium was paid to the date of reimbursement; and
2. pay B the sum of £250 (if it has not done so already) for the trouble caused by its handling of this claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 24 October 2025.

Harriet McCarthy  
**Ombudsman**