

The complaint

Mr M complains that Covea Insurance plc settled a third party's claim under his car insurance policy.

What happened

Mr M held a car insurance policy which was provided by Covea. Unfortunately, he was involved in an accident in November 2024. The third party made a claim, and their insurer held Mr M liable for the accident.

Covea said that it first held the third party liable for the accident. But after reviewing evidence from the third party insurer, it aimed to settle on a 50/50 liability basis. However, after the third party insurer submitted an independent witness statement, and Covea reviewed the claim in full, it settled the third party's claim in full on a without prejudice basis. Unhappy with this, Mr M made a complaint which Covea rejected. So, he brought a complaint to this Service.

One of our investigators reviewed the complaint. Having done so, she thought Covea had acted fairly and reasonably in how it handled the claim. So, she didn't recommend the complaint to be upheld.

Mr M disagreed with the investigator's findings. In short, he wasn't happy that Covea waited six months for a witness statement. He also said this statement was untrue, and Covea didn't fully investigate the circumstances by questioning the statement, assessing the damage to his car or visiting the scene of the accident.

As no agreement was reached, the complaint has been passed to me to decide.

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.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of this complaint.

Firstly, it's not the role of this Service to decide who's liable for an accident. My role is to consider if Covea has handled the claim against Mr M fairly and reasonably in the circumstances.

One of the general conditions applicable to Mr M's policy says under "Accidents and losses" the following:

"If we wish we may take over and deal with your claim in your name."

This is a common term in car insurance policies, and Covea was entitled to deal with the third party's claim on Mr M's behalf. I can see that it first held the third party liable for the accident, but after considering evidence from the third party, it then tried to settle the claim on a 50/50 liability basis. However, the third party then sent a witness statement, and following this, Covea accepted and paid the third party's claim on a without prejudice basis.

Covea said this was based on the following:

- Mr M was the one crossing over to the third party's lane. Covea said that the greater onus of liability rested with the car which was changing or moving across lanes.
- The third party held Mr M liable for the accident, and this was supported by an independent witness statement they provided.
- Covea reviewed the road layout online, and it considered it could be reasonably viewed that Mr M's car wasn't fully established in the lane during the incident.

I can see that Covea also had photos of the damage to both cars.

After reviewing all the evidence, Covea concluded that the likelihood of success in defending liability in court was extremely low, and the associated time and costs wouldn't be proportionate. I don't think this was unreasonable, considering the evidence it had from Mr M, the third party insurer, as well as based on its own research. I think the conclusions Covea reached were fair and reasonable in the circumstances.

I say this because it's clear that Mr M was joining the third party's lane, and both the third party and their independent witness said it was Mr M who impacted into the third party's car, rather than the other way around. And the third party insurer had declined to settle the claim on a 50/50 basis, and Covea considered the success of defending this in court to be low.

I appreciate it took some time for the third party to send the witness statement. But this doesn't mean it wouldn't be reasonable for Covea to rely on it. And I appreciate Mr M thinks Covea should've done more to investigate the matter. But for the reasons I've explained in this decision, I think what it did was enough in the circumstances.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 November 2025.

Renja Anderson
Ombudsman