

The complaint

Mr S complains about how Advantage Insurance Company Limited (Advantage) settled a claim made on his motor insurance policy.

What happened

In July 2024 Advantage received an allegation from a third party that Mr S had failed to stop in time and collided with the rear of their vehicle. Advantage said it tried to contact Mr S on several occasions, and because it didn't receive a response, it settled the third-party claim – recording it as bonus disallowed against Mr S's policy.

In September 2024 Mr S responded, he said he wasn't involved in the accident. He said he was at home at the time with his son and he wasn't to blame for any damage being claimed for. He said there was no damage to his car and provided images of it.

Advantage still chose to accept liability for the accident on Mr S's behalf. It said an independent assessor's report noted damage to both cars and thought it was of a similar height and profile and appeared to be consistent with the alleged circumstances. Advantage said it discounted two witnesses' testimonies, as neither witness could describe the car that caused the damage. Advantage said it accepted liability because it didn't think it could defend a claim against Mr S if it were to go to court.

Mr S remained unhappy so referred his complaint to this Service. He said he thinks Advantage's decision is unfair. He said there is no proof he was at the scene and thinks this is a fraudulent claim made against his policy.

Our investigator ultimately didn't uphold the complaint. She was persuaded by new evidence Advantage presented from a third witness at the scene. She was satisfied Advantage had acted fairly and reasonably, in line with the policy terms and conditions in reaching the decision it made to settle the claim as bonus disallowed.

Mr S didn't agree and requested that the complaint be escalated to an Ombudsman.

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.

I've decided not to uphold this complaint and I'll explain why.

Mr S is unhappy that Advantage have settled a claim another person made on his insurance policy.

I should explain that it is our Service's role to look at whether Advantage carried out a fair investigation, reviewed all the evidence it has and has come to a reasonable decision.

Mr S's policy terms allow Advantage to take over and conduct a defence or settlement of any claim made under the policy. So, it's entitled to settle the claim, on the best terms it thinks fit. And this also includes deciding whether to take the matter to court. It has the final say on how to settle the claim. So naturally, it may, at times, make decisions its policyholders don't agree with. But it must exercise this right fairly and reasonably, taking into consideration everything both parties have provided.

I recognise Mr S feels strongly about this complaint and has said he hasn't been provided with the evidence from Advantage to show how it came to its conclusion. But I can see Advantage took into consideration Mr S's comments before coming to its decision. It has said the following evidence was taken into account when it considered the prospect of defending it in court:

- Mr S hadn't provided any supporting evidence to show where he was at the time of the accident.
- Its engineer reviewed the damage on both cars and said it was consistent across both vehicles.
- There was no CCTV footage.
- It thought it was more likely that Mr S had been at the scene. As the third-party witness provided Mr S's name, vehicle registration, policy number and the correct description of Mr S's car and a description of the driver. The witness said the details had been exchanged with the driver.

I have thought about Mr S's comments that his car was older and so may have some pre-existing damage. I acknowledge that may well be the case. But from what I've seen, the engineer's report states there was damage of a similar height to the third-party's vehicle, consistent with light to moderate impact. The engineer concluded the damage on both cars suggested contact may have occurred. Advantage said it couldn't prove the damage wasn't consistent with the accident. So I'm satisfied that Advantage relied on this report, as evidence of Mr S being involved in the accident.

Mr S is also unhappy Advantage haven't provided him with the witness evidence it has relied upon when reaching its decision. But Advantage said due to data protection reasons, it is unable to do so. I think it was right not to provide this information.

I recognise Mr S feels Advantage has been unfair, but I haven't seen anything to support that. Advantage said that based on all the above evidence, it thought it more likely than not that Mr S was present and involved in the accident. I'm satisfied that was a reasonable decision. To pursue this further would require Advantage to challenge this in court and it didn't think it would be successful. I don't find this an unreasonable stance.

My final decision

For the reasons set out above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 January 2026.

Lorraine Ball
Ombudsman