

## **The complaint**

Mr M complains about how a claim was handled by Zurich Insurance Company Ltd on his commercial van insurance policy.

Throughout the claim and complaint process, Zurich have hired third parties to act on their behalf. In this decision, any reference to Zurich includes the actions and comments of their third parties.

## **What happened**

Mr M's van was hit whilst parked in June 2023. Mr M started by claiming for the damage through Zurich but eventually claimed through the third party's insurer. Mr M received a settlement. As Zurich had initially dealt with the claim, they had some costs. They attempted to claim these back but were unsuccessful. As a result, Zurich closed the claim as a fault claim. Mr M's insurance premiums have increased on his other policies so he raised a complaint. Zurich didn't uphold the complaint as they didn't think they'd done anything wrong. Still unhappy, Mr M brought the complaint to this service.

Our investigator didn't uphold the complaint. They didn't think Zurich had acted unreasonably. Mr M appealed. He didn't think the outcome was fair. As no agreement could be reached, the complaint has been passed to me to make a final decision.

Because I disagreed with our investigator's view, I issued a provisional decision in this case. This allowed both Zurich and Mr M a chance to provide further information or evidence and/or to comment on my thinking before I made my final decision.

## **What I provisionally decided – and why**

I previously issued a provisional decision on this complaint as my findings were different from that of our investigator. In my provisional decision, I said:

*“I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Based on what I've seen so far, I intend to uphold Mr M's complaint.*

*When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether Zurich acted in line with these requirements with how they handled Mr M's claim.*

*At the outset I acknowledge that I've summarised his complaint in far less detail than Mr M has, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able*

*to reach an outcome in line with my statutory remit.*

*The policy sets out the following in relation to handling claims:*

*'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.'*

*Whilst Zurich is entitled to deal with the claim on Mr M's behalf, I'd still expect them to do so in a fair and reasonable way. We'd expect an insurer to reasonably investigate a claim and consider the evidence available before making its decision on liability.*

*Mr M's van was hit whilst parked and unattended. The third party had fallen asleep at the wheel and hit Mr M's van. The police had been involved and had filed a report. The police gave Mr M the policy number and registration number of the third party for him to pass to his insurer. They weren't able to provide any personal details for the third party due to GDPR. Zurich would have been able to request the police report. This would have given them the full details of the third-party driver. Zurich has said there was no guarantee the policy report would have had the drivers name and address. However, Mr M has provided an email from West Midlands Police which confirms the following:*

*'If you apply for a copy of the police log in the normal manner from West Midlands Police, then the details of the registered keeper, the caller and confirmation that the callers son aka the registered keeper was driving is on the police log.'*

*Zurich didn't attempt to contact the Ppolice for their log from what I've seen.*

*Whilst I can see Zurich contacted another insurer, the insurer disputed they were involved. Zurich threatened the third-party insurer with legal action under the Road Traffic Act but ultimately decided not to proceed. Zurich has said they didn't proceed with legal action based on advice from their panel of solicitors. This seems to be due to not having the drivers name, so it wouldn't be possible to issue legal proceedings. However, as set out above, these could have been attained from the Police.*

*Mr M was successful in recovering his loss from a different insurer to the one Zurich contacted. Zurich has confirmed they contacted a different insurer in error. Zurich didn't follow up their costs with the same insurer as Mr M after he confirmed he'd received a settlement offer. It's not clear why Zurich didn't follow this up. Zurich has since said there weren't any costs. However, had there not been any costs it's unclear why the claim would be recorded as a fault claim instead of a notification only.*

*Based on the above, I don't think Zurich has acted fairly in how they handled the claim. Had Zurich followed up on the above actions, I think they most likely would have received their costs back, if there were any. So, to put things right, I'm intending to tell Zurich to record the claim as non-fault and issue a letter to Mr M confirming this.*

*I appreciate that it must have been frustrating for Mr M to have to have the claim recorded incorrectly. This has had a financial impact and meant Mr M has had to spend a lot of time contacting different parties about the claim to try to get it resolved. Although this is a distilled version of events, I've considered everything in the round and I think Mr M has been caused considerable distress, upset and worry which has taken a lot of extra effort to sort out over several months. In line with our website guidelines, I'm also intending to award Mr M £500 compensation for the distress and inconvenience caused.*

*Whilst I appreciate Mr M has had an increase in premiums, this was on another vehicle with*

*another insurer. Mr M will be able to approach the insurer with updated details to enquire about a refund.”*

I set out what I intended to direct Zurich to do to put things right. And gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

### **Responses to my provisional decision**

Zurich accepted my provisional decision.

Mr M confirmed he had nothing further to add.

### **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 thought carefully about the provisional decision I reached. Having done so, and as neither party has provided anything which could lead me to depart from my provisional decision, my final decision remains the same as my provisional decision, and for the same reasons.

### **Putting things right**

To put things right, Zurich should do the following:

- Change the claim record from no claims disallowed (fault) to no claims allowed (non-fault) on all databases it's recorded on.
- Issue a letter to Mr M confirming the above change.
- Pay Mr M £500 compensation.

### **My final decision**

For the reasons I've explained above, I uphold this complaint and direct Zurich Insurance Company Ltd to put things right by doing as I've said above, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 March 2026.

Anthony Mullins  
**Ombudsman**