

complaint

Mr B complains that Advantage Insurance Company Limited mishandled a claim on his motor insurance policy.

background

Mr B and a third party were in a head-on collision on a narrow stretch of road in poor weather. Mr B complained after his insurer said he was at fault.

The adjudicator recommended that the complaint should be upheld in part. She thought that Advantage was responsible for delay in telling Mr B it was settling liability. She recommended that Advantage should pay Mr B 150 to compensate him for the distress and inconvenience caused by its delay.

Advantage agrees with the adjudicator's opinion.

Mr B disagrees. He says, in summary, that he wasn't at fault for the collision.

my findings

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

It's common practice for an insurer to record a claim against its policyholder as a "fault" claim unless and until the insurer recovers its outlay in full from a third party. There may be a number of reasons why such recovery may not be practicable. Therefore a record of a fault claim does not necessarily reflect badly on the policyholder's driving.

Like most motor insurance, Mr B's policy allowed his insurer to decide how to deal with and settle any claim involving a third party. I've seen a policy term along the following lines:

"Your insurer shall be entitled to conduct the defence or settlement of any claim and to instruct the solicitors of their choice to act for you in any proceedings. In circumstances where it is considered appropriate your insurer will be entitled to admit liability on behalf of you or any person claiming indemnity under the policy".

The Financial Ombudsman Service considers how the insurer reaches its decision under such a policy term. Provided it does so fairly we are unlikely to intervene. Unlike a court, we don't hear directly from each driver and decide the extent to which each of them is responsible for causing injury or damage.

I'm satisfied that Advantage took into account Mr B's report of the accident.

But it also heard from the other driver about what happened.

Advantage instructed accident investigators. And it obtained video of the positions of the two vehicles in contact after the collision.

I think Advantage did a reasonable and proportionate investigation into the accident.

It weighed up the conflicting versions of events. It decided to settle rather than to incur the costs and risk of a court case arising out of the accident.

I keep in mind the usual policy term quoted above. And I'm not persuaded that the insurer treated Mr B unfairly or unreasonably by the decision it made or by the way it recorded it on insurance databases. I accept that this may cost him money in terms of his future premiums.

But Advantage ought to have told Mr B of its decision sooner. I think its delay added to the upset and trouble he was put through. I think it's fair and reasonable to order Advantage to pay Mr B £150 for this.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I order Advantage Insurance Company Limited to pay Mr B £150 for trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 February 2016.

Christopher Gilbert
ombudsman