

## **complaint**

Miss D has complained about the way Pinnacle Insurance Plc dealt with a claim made under her car insurance policy. For the purposes of my decision, any agent acting on behalf of Pinnacle dealing with the claim is one in the same.

## **background**

Miss D's car was involved in an accident with another car. Pinnacle received a claim from the other driver's representative. Miss D was the only named person insured to drive her car under her policy with Pinnacle.

Miss D initially told Pinnacle she was a passenger in her car and disputed the other driver's account of what happened. But she later told Pinnacle she wasn't in the car.

Miss D and the driver failed to provide any proof to Pinnacle that the driver was insured to drive her car – although Miss D said she saw his Certificate of Motor Insurance which said he was. So Pinnacle dealt with the other driver's claim as it was obliged to do under the Road Traffic Act. But any claim Miss D might have wanted to make for repairs to her car wasn't covered under her policy - as there was nothing to show the driver was insured to drive her car when the accident happened.

It took a year for Pinnacle to settle the other driver's claim. Pinnacle wrote to Miss D requesting payment for the full costs of the claim, which came to £9,499.50.

Miss D complained to Pinnacle. She said she'd returned the documents it asked for in September 2015. It hadn't kept her updated about the claim – and she didn't think she should be responsible for the excess of £3,000 – let alone the full costs of the claim. Pinnacle didn't arrange for her car to be repaired. She wasn't in the car when the accident happened so none of this was her fault.

Pinnacle didn't uphold Miss D's complaint. So Miss D brought her complaint to us.

Our investigator didn't recommend upholding Miss D's complaint. She thought Pinnacle had acted fairly. It had tried to get information from the driver and Miss D in order to redirect the claim to his insurer. But it didn't receive what it needed – so it had no choice but to deal with the other driver's claim under the Road Traffic Act. While it didn't update Miss D for a year – it did tell her in October 2015 that she would be liable for the full costs of the claim. It took a year for the claim to settle. So it contacted her in October 2016 when it knew the final costs.

Miss D didn't agree. In summary she says:

- She and the driver co-operated at all times. Pinnacle didn't provide proof she hadn't
- Pinnacle provided inaccurate and untrue information.
- Pinnacle never told her she'd be responsible for the full costs of the claim.

So she wants an ombudsman to decide.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I don't intend to uphold it.

The incident happened at the end of May 2015; In June 2015 Pinnacle called the driver using the number Miss D gave it to discuss the claim, but couldn't speak to him. To try and redirect the other driver's claim from Miss D's policy to the driver's own insurer, it used the registration details of his own car to find out who that car was insured with. It passed these insurance details to the other driver's representatives.

But they came back to Pinnacle. They'd contacted the insurer but was told the driver of Miss D's car wasn't insured to drive other cars. So they couldn't claim against his insurance without any more details from either Miss D or the driver.

In September 2015 Pinnacle wrote to Miss D. It asked her to provide a number of documents within seven days. These included verification documents for her and her car, and an incident report form. It said if it didn't receive these documents within seven days, it would instruct her broker to send a seven day notice of cancellation of her policy. In this letter it set out in bold that Miss D was responsible for paying her excess of £3,000 and it needed her co-operation to settle the claim.

It didn't receive the documents it asked for, so a week later it wrote to Miss D again. It said as Miss D hadn't co-operated, it would have no option but to settle the other driver's claim on the best terms possible with the information it had. In bold it explained it had the right to recover the full costs of the claim from Miss D, which might exceed the excess.

So I think Pinnacle put Miss D on sufficient warning that she would be responsible for the full costs of the other driver's claim.

Miss D called Pinnacle toward the end of September and it sent her another incident report form. In October 2015 Pinnacle called Miss D and said if it didn't receive the forms it needed it would have to deal with the claim under the terms of the Road Traffic Act. Miss D then explained that she wasn't a passenger – so she couldn't say what happened. But she provided another contact number for the driver. Pinnacle called the new number and left a message for the driver to call it back. But it didn't hear from him.

Miss D told Pinnacle she didn't believe she should be liable for the accident. But Pinnacle said because it didn't have proof the driver was insured, it would have to deal with the claim under the Road Traffic Act – where its obliged to settle a third party claim even if the circumstances didn't meet the terms of the policy – as it was the insurer of the car involved.

So although Miss D says she returned the forms to Pinnacle on 16 September by post, I think she knew Pinnacle didn't have what it needed from her when it spoke to her three weeks later, in October 2015.

Between October 2015 and September 2016 Pinnacle negotiated a settlement with the other driver's insurer. Final costs were agreed between both parties – and Pinnacle wrote to Miss D in October 2016. It said Miss D owed Pinnacle the final settlement amount of £9,499.50 in the next 14 days. If Miss D didn't pay it, it would pass the debt to a debt recovery agent. This prompted Miss D to complain. Pinnacle has agreed to put the debt on hold until we decide on Miss D's complaint.

Miss D's policy says Pinnacle has the right to defend and settle a claim as it sees fit. This means it can make a decision that Miss D might not agree with, but the policy allows it to do this. From what I've seen, I think Pinnacle properly investigated the claim. As I think Pinnacle made Miss D aware that she would be responsible for the full costs of the claim a year before, I don't think it was unreasonable to update her once it knew what the settlement costs were. But given the amount involved, I think Pinnacle should offer a repayment plan so that Miss D can make the payments by instalments rather than in one lump sum. Pinnacle doesn't object to this.

I understand Miss D's strength of feeling about the way Pinnacle dealt with the claim. But taking everything into account, I think it has acted reasonably. Miss D could have claimed for the repairs to her car under the driver's insurance if he had valid cover at the time of the incident. And it was for Miss D to provide Pinnacle with all of the information it needed to deal with the claim. As it didn't receive proof that the person driving Miss D's car was insured, it dealt with the other driver's claim correctly and in line with the policy. And so it's entitled to recover the costs of the claim from Miss D.

### **my final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Pinnacle should offer a repayment plan to Miss D if she wants to pay the amount she owes in instalments.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 17 August 2017.

Geraldine Newbold  
**ombudsman**