

complaint

Miss T complains that Tradewise Insurance Company Limited is proposing to accept liability, on her behalf, under her motor insurance policy for an accident for which she says she was not responsible. As a result, her insurance premiums have increased.

background

In January 2013, a third party car, which was parked and unattended, was hit by another car. The accident was witnessed by an independent witness, who identified the make and registration number of the car responsible. Those details matched Miss T's car, and she lived not far from the accident site.

Miss T told Tradewise that neither she nor the named driver on her policy had been driving the car on the day of the accident. In fact, it had been in a garage at the time having work done on its engine. She produced a bill for this work.

Tradewise had Miss T's car inspected and the engineer confirmed it had suffered damage consistent with the witness's description of the accident. Miss T said that this could be explained by a previous accident.

Tradewise spoke to the garage who said it thought the car had been on its premises for a period covering the accident, but was not entirely certain. Tradewise invited the garage to notify its insurers, but it declined. In these circumstances, Tradewise said that as the insurer of the car, under the Road Traffic Acts it had to deal with the third party's claim, and if court proceedings were issued, it was likely to settle the claim.

Our adjudicator did not recommend that this complaint should be upheld. He said that as the insurer of Miss T's car, Tradewise would have to pay for any damage its insured car had caused, unless it could prove that the car was covered by another form of insurance, and its driver was not responsible for the damage. He considered that Tradewise had acted reasonably in trying to obtain more information, but on the evidence available, it was not unreasonable for Tradewise to decide that it should settle the claim.

Miss T responded to say, in summary, that she considered that the garage had provided sufficient evidence to show that the car was in the garage at the relevant time. She asked for her complaint to be reviewed.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

As the adjudicator has said, the role of this service is not to decide whether Miss T's car was responsible for the accident, but whether Tradewise has acted reasonably, and according to the policy terms, in gathering and considering evidence, before deciding to settle the claim.

In this connection, the position of the garage is particularly relevant. It could not say for certain that Miss T's car was in its premises at the time of the accident. It had no written records of cars coming in and out of its workshop. And it declined to pass details of the claim on to its own insurers. This left Tradewise as the only insurer of the car under the Road Traffic Acts.

Tradewise did not initially admit liability for the accident, but said that if the third party brought court proceedings, it was likely to settle the claim. However, it would do so on a without prejudice basis. So Miss T could defend the third party's claim herself, if she wished to do so and was willing to be responsible for the costs.

I conclude that Tradewise acted reasonably in the way it handled this claim, and if it decided to settle the claim, this would not be unreasonable on the evidence available.

my final decision

For the reasons I have set out above, my decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Miss T to accept or reject my decision before 6 January 2015.

Lennox Towers
ombudsman