

complaint

Miss S complained about Markerstudy Insurance Company Limited's handling of her car insurance policy.

background

A claim was made to Markerstudy against Miss S's policy saying she was involved in an accident on 13 September 2017. It was alleged that Miss S crashed into the back of another car causing it damage and injury to the driver. The policy lapsed in October 2017 after it wasn't renewed.

Miss S said she wasn't involved in any accident and that she, and her car, was at her place of work at the time of the alleged accident. Miss S's employer also gave a written statement confirming that Miss S and her car were at her place of work during the whole day on which the alleged accident was said to have occurred.

Markerstudy concluded that Miss S was involved in the accident and that she had committed fraud by denying involvement. They said they would report the incident and place a marker on the fraud database. Miss S complained, but Markerstudy didn't uphold her complaint.

As Miss S wasn't happy with Markerstudy's decision, she brought her complaint to our service. One of our investigators looked into the complaint. She felt that Markerstudy hadn't acted fairly and suggested that they pay Miss S £150 compensation and that they remove any fraud marker from her record.

As Markerstudy didn't agree with our investigator, the complaint has been passed to me 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'm going to uphold this complaint. I'll explain why.

I must decide if Markerstudy have dealt with Miss S in a fair and reasonable way.

The allegation against Miss S was very serious and any action that Markerstudy might take is likely to have serious consequences for her. I would therefore expect Markerstudy to investigate the allegations fairly and reasonably, but I don't think they have.

The key issues can be summarised as follows:

- The other driver gave Markerstudy a photo of the front of Miss S's car; a description of her; and her name. I note the surname was correct but the first name was a variant of Miss S's. Miss S explained that the photo could have been taken somewhere other than the location of the alleged accident or that the car could have been the same but the registration number cloned. I think both of those suggestions are possible. While the description given of Miss S wasn't exact, I think it was broadly accurate. But Miss S works in the area so it's possible that, if as Miss S suspects, the other driver made a fraudulent claim they knew what she looked like. I note it would have also been possible to get Miss S's name and other details from public records.

- The other driver provided a photo of Miss S's car. When Miss S challenged the photo the other driver's representatives sent a screen shot suggesting that was proof that the photo was taken at the time and date of the accident. Markerstudy placed very heavy emphasis on this evidence in saying Miss S had lied and that it proved she wasn't at work, but involved in the accident. Miss S, in my view correctly, said that it was possible for the date and time of a photo taken on a mobile phone to be amended. Markerstudy, without any convincing evidential basis, dismissed that suggestion. Markerstudy didn't examine the phone, but they relied on what they were told by the other driver.
- Miss S's employer gave a statement saying she was at work engaged in meetings all day on the relevant date. He also said her car was at all times parked in the company car park and was visible at all times. Her employer also said he was willing to give evidence in court. Markerstudy dismissed his evidence by saying "*when I spoke the insured's employer I felt that he was a very weak witness*". No other explanation or basis was given for this view.
- Miss S's car was examined by an independent engineer around two months after the alleged accident and the engineer said "*there were no signs of recent impact or any indications that recent repairs have been carried out to the front*". The engineer was later asked to give further opinion on whether any damage to Miss S's car was consistent with the damage found to the other driver's car. The engineer reported there wasn't.
- The independent engineer reported that there was some damage to the rear bumper of the other car. But that inspection happened around nine months after the alleged accident. It's not clear to me why the inspection didn't happen soon after the alleged incident. And Markerstudy hasn't addressed the possibility that any damage could have been pre-existing or caused between the alleged accident in September 2017 and before the inspection by the independent engineer in June 2018.
- The independent engineer noted the damage to the other car's rear bumper "*was at a height of 39 – 54cms from ground level*". Miss S's car is substantially smaller and lower than the other driver's car. But Markerstudy haven't investigated or addressed the issue of the substantial disparity in height and size of the two cars to explain how one could have caused the damage present on the other.

For the reasons given above, I don't think Markerstudy's decision that Miss S was involved in the accident and committed fraud to avoid the claim was reasonable. Markerstudy should correct all records, including the fraud database, to remove any fraud marker against Miss S's name. Miss S has suffered distress and inconvenience as a result of this incident so I require Markerstudy to pay her £150 compensation to address this.

Finally, Miss S has asked for the return of her full premium. That is not something I am asking Markerstudy to do because they have provided her cover for the whole policy year.

my final decision

For the reasons set out above, I uphold the complaint and require Markerstudy Insurance Company Limited to:

- Correct all records, including the fraud database, to remove any fraud marker against Miss S's name.
- Pay Miss S £150 compensation for the distress and inconvenience she experienced. This should be paid within 28 days of us telling them that Miss S has accepted my final decision. If they pay later than this they must also pay interest on that amount

from the date of my final decision to the date of payment at a rate of 8% a year simple.¹

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 21 March 2019.

Mehmet Osman
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¹ If Markerstudy pay interest and consider that they are required by HM Revenue & Customs to take off income tax from that interest, they should tell Miss S how much they have taken off. They should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HMRC if appropriate.