

complaint

Mr Y has complained about Allianz Insurance Plc's decision to settle a third party claim under his motor insurance policy as he considers that he did not cause damage to the third party vehicle.

background

In November 2011, Mr Y was driving his car in slow moving traffic on the motorway when it stalled. Mr Y has explained that this caused his car to jump forward and touch the car in front. Both drivers moved to the hard shoulder to inspect the cars. It was Mr Y's view that no damage had been caused to either car, and so he did not contact Allianz to report the incident.

Subsequently Mr Y was contacted by Allianz to inform him that the third party had made a claim for damage as a result of the incident, and Allianz later settled this claim. Mr Y complained to Allianz about its decision to settle the claim. He stated that the third party's car had suffered no damage as a result of the incident, and suggested that Allianz had made payment without undertaking an appropriate level of investigation regarding the damage claimed for. Dissatisfied with Allianz's response that it had acted reasonably in this matter, Mr Y brought a complaint to this service.

Our adjudicator did not uphold this complaint. Taking into account that the policy gave Allianz discretion to take over, defend or settle a claim, she noted that Mr Y accepted he had hit the third party vehicle from behind, making it likely that Mr Y would be considered to have been at fault. Although Allianz accepts that images of the third party vehicle do not clearly show the damage claimed for, a repair invoice was also sent to Allianz to evidence this damage. On balance, the adjudicator's view was Allianz had used its discretion to settle the claim reasonably based on the evidence it had received.

Mr Y rejected the adjudicator's findings. He explained that he had taken photographs of the vehicles at the time of the incident to demonstrate that there was no damage, but that unfortunately the device he had used was stolen from him a few days later. Mr Y is unhappy that Allianz made a decision to settle the claim when the images provided to it of the third party vehicle did not clearly show the damage claimed for. He also considers that the engineer's report provided was of a poor quality.

Mr Y has highlighted that the third party's vehicle registration number differed between that shown in the images taken of the car and the number noted in the engineer's report. Although Allianz had stated that this was because the car had been going through a DVLA plate transfer around the time of the incident, Mr Y has suggested that the car may have been photographed some time after the claim had been paid. This he considers explains why there was a delay providing images to Allianz of the damage, and why the images are not clear. Mr Y's view is that by settling the third party claim in the way that it has, Allianz has not acted in his interests.

my findings

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

After referring his complaint to this service, Mr Y stated that Allianz had failed to provide him with a refund under his policy after he had changed jobs so that he no longer required cover for business mileage. As Allianz did not have an opportunity to respond to this issue before Mr Y's complaint about the third party claim was referred to this service, I have not considered the request for a refund under this current complaint. If Mr Y wishes to pursue his claim for such a refund, he should approach Allianz in the first instance. If he remains unhappy with the business' stance, he is able to ask this service to consider a separate complaint regarding this matter.

With regard to Allianz's settlement of the third party claim, Mr Y's policy gives the insurer discretion to take over and settle a claim. Provided the insurer has acted reasonably, we will not interfere with its decision on how it should settle a claim.

Mr Y accepts that his vehicle was in contact with the third party's, but disputes that this caused damage. It is unfortunate that Mr Y had the device which he used to photograph both vehicles immediately after the incident stolen from him. However, this being the case, Allianz made its decision regarding the claim based upon images provided by the third party insurer, an engineer's report, and the repair invoice provided.

Allianz accepts that the images of the third party vehicle are not clear enough to show the damage claimed for. However, it also received an engineer's report and repair invoice to evidence that the third party's vehicle had been damaged via an impact at its rear. Insurers have much experience of handling claims and of court proceedings, so are able to make informed decisions regarding third party claims. If there is little or no prospect of defending a claim from a third party, an insurer will limit its financial outlay by not pursuing cases and incurring legal costs.

Mr Y does not dispute that when his vehicle stalled it jumped forward making contact with the third party vehicle. Whilst Mr Y disputes that any damage was caused, on the balance of evidence available, I consider Allianz acted reasonably when using its right to settle the third party claim. It seems that a satisfactory explanation has also been provided regarding the reason why the licence plate on the third party vehicle altered during the course of the claim. Although I appreciate that Mr Y may be disappointed with the outcome of his complaint, my conclusion is that Allianz has used its discretion under the policy to settle the third party claim in a reasonable manner.

my final decision

My final decision is that I do not uphold this complaint, and I make no award.

John Swain
ombudsman