

complaint

Mr W has complained that One Insurance Limited made a mistake when it accepted liability for a claim on his motor insurance policy.

background

Mr W says that when he was driving on the motorway another driver wrongly alleged he had hit her car. Mr W says that there was no impact between the cars and that One Insurance wrongly settled the claim against his policy without talking to him or inspecting either of the cars. He also says he was not told One Insurance had settled the claim and only found out when the cost of his insurance doubled at renewal.

The adjudicator thought that One Insurance hadn't properly investigated the claim and had been too quick to accept liability. She thought that if it had investigated properly it could have found enough evidence to contest the claim. The adjudicator could see that One Insurance had already apologised for mistakes in how it communicated with Mr W and had paid him £100 in compensation. She recommended that to put things right One Insurance should record the claim as non-fault and refund any premium increases that Mr W has paid as a result of the fault record. She also recommended that One Insurance pay Mr W £150 compensation.

In response, Mr W accepted the adjudicator's recommendation. One Insurance didn't agree and asked for a final decision from an ombudsman. One Insurance said it was satisfied that if the case had gone to court there was a very good chance it would have lost so it had made sense to settle. It said it was limited by law in how long it had to make a decision and that the timeframe was shortened because Mr W did not report the incident himself. One Insurance also said the Financial Ombudsman Service shouldn't decide on the liability for an accident.

my findings

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

One Insurance is right that Financial Ombudsman Service doesn't generally decide who is responsible for an accident. I think my role is to look at if One Insurance dealt with the claim on Mr W's policy fairly and took reasonable steps to investigate what happened.

I understand that One Insurance didn't have much time to reach a decision for reasons outside of its control. I agree it would have been helpful if Mr W had contacted One Insurance immediately but it is perhaps understandable that he didn't as he has explained there was no exchange of contact details and he doesn't think there was contact between the cars. .

The circumstances of this claim are that Mr W told One Insurance that there was no accident. He says that the alleged damage to the other car didn't match with the third party's description of the incident. He provided photographic and video evidence to One Insurance that he says backed up his version of events. Mr W also requested that One Insurance carried out an inspection of both cars and says he commissioned his own engineer report on his car as further proof after he did not hear back from One Insurance.

Despite the tight timescales I think One Insurance had a duty to at least consider the evidence that Mr W had proactively provided and to talk to him about the incident before settling the claim. I also think it should have commissioned an engineer to look at both cars. Had it taken these steps it would have been able to put Mr W's evidence and statements to the third party's insurer. I think it is possible that the other insurer may then have withdrawn the claim. While I cannot be sure what the outcome of any court case would have been, I'm not persuaded that One Insurance did enough to investigate this claim. In the circumstances I don't think One Insurance was in a position to decide it was unlikely to win in court.

I think One Insurance's poor investigation of the claim prejudiced Mr W's position. So in the circumstances, I think it would be fair for One Insurance to give Mr W the benefit of the doubt and treat the claim as no fault.

I can also see that One Insurance didn't communicate well with Mr W - he only learnt it had settled the claim after the renewal price of his policy increased. And Mr W says that One Insurance failed to respond to his complaint until he told it he was involving this service. Dealing with this incident has clearly been difficult for Mr W and I think One Insurance should pay him additional compensation for the inconvenience it has caused him.

my final decision

For the reasons set out above, my decision is that I uphold this complaint. I now require One Insurance Limited to:

- record the claim as non-fault in all internal and external databases, and send Mr W a letter confirming this (Mr W can then use this letter with One Insurance or another insurer to reduce any premium related to this incident);
- confirm to Mr W in writing that his No Claims Discount is unaffected ; and
- pay Mr W a further £150 compensation for the inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 December 2015.

Sarah Brooks
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