

## **complaint**

Mr Z has complained about Calpe Insurance Company Limited's decision to settle a third party claim under his motor insurance policy.

## **background**

Mr Z bought a motor policy with Calpe. Calpe received a claim from another driver for personal injury and repairs to their car. The other driver said Mr Z collided with his car. So Calpe contacted Mr Z.

Mr Z told Calpe he'd reported the registration plates for his car as stolen to the police a few days before the accident. He said he wasn't involved in an accident. He provided a letter from the police confirming he reported the plates as stolen.

Calpe instructed an engineer to inspect Mr Z's car. And it also instructed an investigator to interview him. Meanwhile, the other driver provided a description of the driver, the car, and the name given to him at the scene. The information matched Mr Z's first name, the registration, model and colour of his car, and his description from the photo on his driving licence.

The engineer could find no new damage, or evidence of recent repairs to the area of Mr Z's car allegedly involved in the accident. However the investigator concluded that Mr Z's account couldn't be supported. The other driver provided photos of Mr Z's car which he took at the scene. This showed damage consistent with the accident as the third party described.

Calpe decided to settle the other driver's claim. It told Mr Z he would need to pay the excess of £3,000 under his policy as a claim had been made.

Mr Z complained. But Calpe said its decision was correct. So Mr Z brought his complaint to us.

The investigator didn't recommend Mr Z's complaint should be upheld. She felt Calpe had reached its decision reasonably, and the policy says it can decide how to settle a claim. She recommended Calpe offer a reasonable repayment plan for Mr Z to pay the excess, given the amount involved.

Calpe didn't provide any further comments. Mr Z didn't agree. He said he wasn't involved in the accident so he shouldn't have to pay anything. Mr Z has arranged for the previous owner to send us an email confirming there were a second set of plates in the car when Mr Z bought it. We've also received a message from a bodyshop to confirm damage to another area of Mr Z's car. Mr Z believes this shows his car wasn't damaged in the accident this claim relates to.

So the matter 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 don't intend to uphold it.

We don't decide who is at fault for an accident, as this is the role of the courts. Instead, we look at whether the insurer acted fairly and reasonably in making its decision, and in line with its policy.

Under Mr Z's policy Calpe has the right to take over the defence or settlement of any claim. And it can make its own decision about whether it's reasonable to contest a third party's claim or better to settle it. This means Calpe might make a decision Mr Z doesn't agree with, but the policy allows Calpe to do this. This is a common term in all motor insurance policies.

I think Calpe reached its decision reasonably because there were inconsistencies which made it difficult for Calpe to defend the claim. Although the engineer who inspected Mr Z's car found no impact damage, the other driver provided photos of Mr Z's car just after the incident showing damage to the rear driver side. This was consistent with the collision as the other driver described.

Mr Z reported the registration plates from his car as being stolen a few days before the incident. When the investigator interviewed Mr Z, he said he'd bought new replacement plates from a local garage. But the interviewer inspected the plates on Mr Z's car and said they had the original dealer's details on them, and they weren't new. He called the garage Mr Z said he bought replacement plates from. But the garage said it didn't sell plates. Mr Z couldn't provide a receipt for the replacement plates.

The account provided by a third party who sold the car to Mr Z is inconsistent with Mr Z's account. He says there were spare plates in the boot of the car when Mr Z bought the car. His description of the spare plates matches the investigator's description of the replacement plates. But Mr Z told the investigator he bought new replacement plates for his car after the theft. The investigator didn't believe the original plates had been stolen.

The other driver said when the incident happened, the driver of the other car said he would contact him to pay in cash for the repairs. When he didn't do this, the other driver decided to claim through his insurer. He gave a first name, description, and details of the car to his insurer. All of the details he gave match Mr Z and his car.

I understand Mr Z is upset about Calpe's decision. He says he is currently unemployed and can't afford to pay the excess. But Calpe is entitled to take a view that it was better to settle the claim rather than contest it with the risk of having to pay significant costs if it went to court. So I think Calpe properly took into account all the information and was reasonable in reaching its decision. And this means Mr Z's excess is correctly due under the terms of his policy.

### **my final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint. I think Calpe Insurance Company Limited should provide Mr Z with the option of a reasonable repayment plan to pay the excess due of £3,000.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 20 April 2017.

Geraldine Newbold  
**ombudsman**