

complaint

Mrs E complains that Allianz Insurance plc mishandled a third party's claim against her motor insurance policy.

background

A third party told Allianz that Mrs E's vehicle had caused damage to his. Mrs E said she had not been involved. She complained after Allianz decided to settle the claim.

The adjudicator recommended that the complaint should be upheld. He concluded that it was unreasonable for Allianz to accept liability. He recommended that Allianz should:

1. remove the fault claim from Mrs E's records and any reference of Mrs E being involved in this incident from all internal and external databases;
2. reinstate Mrs E's no claims discount (NCD);
3. pay Mrs E £200 for distress and frustration.

Allianz disagrees with the adjudicator's opinion. But it has not provided reasons.

my findings

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

It is common practice for an insurer to record a claim against its policyholder as a "fault" claim unless and until the insurer recovers its outlay in full from a third party. There may be a number of reasons why such recovery may not be practicable. Therefore a record of a fault claim does not necessarily reflect badly on the policyholder's driving.

Like most motor insurance policies, Miss E's policy allowed her insurer to decide how to deal with and settle any claim involving a third party. I have seen an Allianz policy term as follows:

*"We can, in your name
take over, defend and settle a claim, and
take proceedings at our own expense and for our own benefit to recover
any payment we have made under this Policy"*

The Financial Ombudsman Service considers how the insurer reaches its decision under such a policy term. Provided it does so fairly we are unlikely to intervene. Unlike a court, we do not hear directly from each party and decide the extent to which each of them is responsible for causing damage or injury.

The third party's agent complained to Allianz as follows:

"your insured encroached our client's lane and collided with their correctly proceeding vehicle"

This was supported by a questionnaire completed by a witness who said he was in a following vehicle. The witness's sketch suggests that an unidentified vehicle pulled in round some parked vehicles and hit the third party's vehicle. But the questionnaire does not identify Mrs E or her vehicle.

The third party's dashboard camera video clip does not show any parked vehicles or a readable registration plate. And it does not show any conclusive evidence of contact between vehicles. The clip ends before any of the usual aftermath of an accident.

After inspecting Mrs E's vehicle, Allianz's engineer said:

"The minor damage to the insured's vehicle was just left of centre on their Rear Bumper which does not fit with the video footage supplied, it is not possible to see vehicle registration, is this our insured's vehicle"

Rather than risking a court case, Allianz decided to settle the third party's claim for minor repairs to his wing and bumper.

But its decision was based on a witness questionnaire and video which I find inconsistent with each other. And Allianz's decision took no account of the absence of damage to the side of Mrs E's vehicle.

So I think that the insurer treated Mrs E unfairly and unreasonably by the decision it made and by the way it recorded it on insurance databases. I do not find it fair for Allianz to affect Mrs E's NCD.

I will order Allianz to send Mrs E a letter (which she may show to other insurers). The letter should say that she was not at fault for a third party's claim on about 24 August 2014.

I will also order Allianz to remove any record of such a fault claim on its records or external databases (such as Claims Underwriting Exchange).

I do not doubt that Allianz's handling of the claim and Mrs E's complaint has caused her upset and put her to unnecessary trouble. In my view Allianz has added to this by its unsupported rejection of the adjudicator's opinion. Overall I find £225 is fair and reasonable compensation for distress and inconvenience.

my final decision

For the reasons I have explained, my final decision is that I uphold this complaint. I order Allianz Insurance plc to:

1. send Mrs E a letter saying that she was not at fault for a third party's claim on about 24 August 2014;
2. remove any such fault claim from its internal records and any external databases to which it has provided such information;
3. pay Mrs E £225 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs E to accept or reject my decision before 3 July 2015.

Christopher Gilbert
ombudsman