

## **complaint**

Mr B complains that CIS General Insurance Limited settled false claims under his motor insurance policy.

## **background**

Mr B says he was not involved in any incident but CIS settled third party claims against him. He complained about the effect on his premiums.

### *our adjudicator's view*

The adjudicator recommended that the complaint should be upheld in part. She concluded that CIS should have settled only three injury claims. She recommended that it should amend records so as to remove two other injury claims. She also recommended that CIS should pay Mr B £100 compensation.

### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr B and to CIS on 29 May 2014. I summarise my findings:

CIS paid for damage to a third party's car.

It also received medical evidence and paid compensation for injuries to the driver and three passengers.

I was not persuaded that the insurer treated Mr B unfairly or unreasonably by the decision it made or by the way it recorded it on insurance databases.

Subject to any further representations by Mr B or CIS, my provisional decision was that I was not minded to uphold this complaint.

Mr B disagrees with the provisional decision. He points out inconsistencies in the reported place of the accident and of a later photograph. He says that an expert's report showed that he was the victim of a false claim which CIS settled without waiting for his agreement. He says that a small old mark on his car is not linked to the third parties' claims of serious injuries.

CIS says that it has nothing to add.

## **my findings**

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

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Like most motor insurance policies, Mr B's policy contained a term which allowed his insurer to decide whether to defend or settle any claim from a third party. I have seen a policy term as follows:

*"We will be entitled to the full conduct and control of the defence or settlement of any claim from a third party..."*

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

I have seen a letter from police to Mr B. I do not consider it significant that it mentions a junction between two roads, only one of which corresponds with the location referred to by the third party. The letter said:

*"...it has been decided to take no further police action.  
...Our role is not to apportion blame or liability".*

I do not share Mr B's conclusion (expressed in his complaint form) that:

*"Police report proved that there was no accident."*

But Mr B did not report the incident to CIS. It heard first from insurers of a third party. She said she was in the driver's seat of a stationary car which Mr B reversed into. Other third parties said they were passengers. They gave the registration number of Mr B's car and a description of its driver, who they said drove off.

CIS appointed an investigator. From its reports, I do not consider that Mr B was as cooperative as he might have been in the summer of 2012. CIS also appointed a vehicle inspector who eventually inspected Mr B's car and reported:

*"a dent to the bootlid high up on the right hand side...  
A series of scrapes and minor contact marks to the rear bumper and  
mouldings...Heavier scrapes...to the left hand rear corner with the  
moulding...displaced...  
...consistent with light impacts at low speeds."*

CIS took into account Mr B's statement that his car was not damaged in the alleged incident. CIS acknowledged that the third party's photograph of his car was probably not taken at the reported scene of the incident.

CIS weighed up the conflicting versions of events. It decided to settle rather than to incur the costs and risk of a court case arising out of the reported incident. From its records, I am satisfied that CIS paid for damage to the third party's car. It also received medical evidence and paid compensation for injuries to the driver and three passengers.

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.

I bear in mind the policy term which I have quoted. And I am satisfied that CIS carried out a reasonable and proportionate investigation. Therefore, I am not persuaded that the insurer treated Mr B unfairly or unreasonably by the decision it made or by the way it recorded it on insurance databases. I accept that this is likely to have had a continuing effect on his premiums.

**my final decision**

For the reasons I have explained, my final decision is that I do not uphold this complaint. I make no award against CIS General Insurance Limited.

Christopher Gilbert  
**ombudsman**