

complaint

Mr B complains that Ageas Insurance Limited settled a third party's personal injury claim against his motor insurance policy without contacting him. He maintains he was not involved in the incident and is concerned about how the claim, and Ageas' handling of it, reflects on his reputation.

background to complaint

A third party contacted Ageas to claim for personal injuries, alleging that Mr B had deliberately driven his vehicle at him. Ageas tried unsuccessfully to contact Mr B by telephone. It then settled the claim after receipt of the third party's medical report.

When he became aware of the claim, Mr B complained to Ageas on the basis that it had not contacted him or given him the chance to prove it was not valid. He vehemently disputed that the incident took place and felt that by settling the claim, Ageas was effectively agreeing he deliberately injured another person.

Ageas accepted that it should have contacted him. It removed the claim from his record and reinstated his No Claims Discount ('NCD'). Mr B did not consider this sufficient. He sought compensation for the stress and financial losses that he suffered.

The adjudicator was of the opinion that Mr B was entitled to some compensation for distress and inconvenience. Ageas agreed to pay Mr B £150 compensation. Mr B does not accept this covers the distress he has suffered or the cost of telephone calls that he has had to make in the course of his complaint. He also says this does not take into account the increase in premiums he and his partner have incurred. He wants Ageas to liaise with his current insurer to put him back in the position he would have been in but for its actions.

The matter has now been referred to me to decide.

my findings

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

This service does not decide which party is liable for causing an accident; that is the role of the courts. We do, however, consider whether a business has acted within the terms of a policy and reached its decision in a fair and reasonable way. An insurer will have discretion under the policy to take over and deal with the defence and settlement of any claim. In deciding to settle out of court, the insurer may have regard to considerations including limiting its potential financial outlay for legal and associated costs.

In support of the claim, the third party produced a medical report which showed his injuries were consistent with having been hit by a car. While I have seen no compelling evidence to confirm that it was Mr B's car which hit the third party, the third party's claim form identifies the registration number of the vehicle involved. I have seen nothing disputing that the number given was the number of Mr B's vehicle. I appreciate that Mr B refutes entirely that he was involved in any incident, and I am not suggesting that is incorrect. However, it is necessary to note the above information as the background to the settling of the claim. Ageas says it made two attempts to telephone Mr B when the claim was made (also contacting the broker to see if alternative numbers were available). However, it was

unfortunately an old number, and no further steps were made to contact him. Mr B only found out about the claim when he received his renewal documents.

Although it is not strictly obliged to do so under the policy, I consider it would have been good practice for Ageas to have communicated with Mr B both before and after settling the claim. This would have made him aware of what was happening and given him the opportunity to provide his version of events, as well as contributing to its investigation.

However, I do not consider that faced with a claim identifying a vehicle which was apparently Mr B's, together with the supporting medical report, it is entirely unreasonable that Ageas made the decision to settle the matter, rather than incur the added expense and likely delays of the matter potentially going to court.

It should be noted that its decision to settle does not mean that, in the strict legal sense, Mr B is 'guilty'. It simply reflects the commercial and pragmatic approach which Ageas was entitled to take to deal with the claim. Nor is the initial recording of the matter as a 'fault' claim conclusive as to liability; that simply reflects the fact that it was a claim where it was not possible for the insurer to recover all its costs (irrespective of who was actually responsible for the loss or damage).

Ageas has acknowledged that it should have communicated with Mr B, and has removed the claim from his record, as well as reinstating his NCD. I consider both of those steps to be fair and reasonable, in that they seek to return Mr B, as far as possible, to the position he would have been in, but for Ageas' actions in the first place. I consider that Mr B's suggestion of "slander" cannot reasonably be directed to Ageas, as it acted (in my view, not unreasonably) in response to information received from a third party.

It appears that the outstanding issues for Mr B are that of compensation for distress and inconvenience, and the prejudice of having to pay higher premiums to his (and his partner's) new insurer because of the claim.

I realise Mr B feels he should not be put to the further inconvenience of having to contact his current insurer to clarify the removal of the claim and reinstatement of his NCD, and so to have his premiums reduced to take account of that. He says Ageas should do that. However, he would need to authorise communication on that point between that insurer and Ageas in any case. So, while I appreciate his position, I consider that it is likely to be more efficient and effective for him to raise the matter with his insurer himself. I would expect Ageas to assist as necessary in providing any clarification to Mr B and the other insurer to ensure the corrected position is noted.

I recognise that Mr B has had the concern of having the claim brought against him and settled without his knowledge. This has been compounded by his concern for the potential effect of the claim on his reputation, although I have seen no evidence of specific detriment in this regard. He has also had the inconvenience and expense of bringing this complaint about Ageas' handling of the issue. However, our awards for distress and inconvenience are generally modest and I consider £150 compensation is fair and reasonable under the circumstances of this complaint (including taking into account costs incurred).

my decision

It is my final decision that I partially uphold the complaint. I require Ageas Insurance Limited

to pay Mr B £150 compensation for the distress and inconvenience caused. I make no further award.

Helen Moye
ombudsman