

complaint

Mrs S is unhappy with the way Covea Insurance plc has settled a claim on her motor insurance policy.

background

In December 2016 a third party's representative contacted Covea alleging Mrs S had hit his vehicle at a roundabout the previous month. Mrs S denied she was involved in the accident although she said she had been in the area. Covea investigated the claim. Both vehicles were inspected and witness statements were also obtained. Covea then decided to settle the claim.

Mrs S isn't happy with this decision. She says it's incorrect. She maintains she wasn't involved in the accident and has suggested the other party's claim is fraudulent. She wants the incident deleted from her record.

Covea said in its final response that it'd investigated the claim including appointing an investigator to speak to a witness who'd moved abroad. The light damage to the third party's vehicle accorded with the witness' description of the accident. It'd followed the correct procedures and due to the lack of evidence it decided to deal with the other party's claim on a without prejudice basis as if the case proceeded to court it wouldn't be able to defend the matter. It was entitled to settle the claim under the terms of the policy.

Our adjudicator felt this complaint shouldn't be upheld. She said Covea was entitled under the terms of the policy to settle the claim as it sees fit. It hadn't acted unreasonably settling the claim. It'd considered what the parties said; the engineer's conclusions on the damage to the vehicles and it'd instructed investigators to contact an independent witness. The witness evidence matched the third party's allegation with only one inconsistency – the colour of Mrs S' car. Covea decided if the case went to court it was unlikely it would win so it decided to settle the claim. It'd carried out a fair and reasonable investigation before settling the case. It'd done so in line with the policy terms and conditions.

my findings

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

I agree with the adjudicator's conclusions for the same reasons.

It's not our role to decide who's at fault for an accident. But we can look into whether Covea has conducted a reasonable investigation into a claim, when making its own decision on liability.

Under the terms of the policy Covea's entitled to defend and settle a claim as it sees fit. It also doesn't need Mrs S' approval of any decision to admit liability, settle a claim or make a payment to a third party.

Overall I think Covea has investigated matters reasonably. It instructed an engineer and investigators to speak to the independent witness who it turned out had gone abroad. It considered the vehicles' damage, its engineer's comments, what each party and the independent witness said. It then concluded it didn't think it could successfully prove Mrs S wasn't to blame if the matter went to court. And it decided to settle the other party's claim.

Mrs S has maintained throughout that although she was in the area around the general time she wasn't involved in the accident. She points to some discrepancies in the evidence including the fact that the witness refers to a different colour car than hers. Even so most of the evidence, including from the engineer, is consistent with the version of events given by the third party and Mrs S' car registration was apparently noted.

Mrs S may disagree with Covea's interpretation of the evidence and decision to settle the third party's claim but I don't think it's failed to comply with the policy terms or exercised its discretion unfairly or unreasonably when deciding to settle the case as it's done on the available evidence.

I understand Mrs S' frustration and strength of feeling. But taking everything into account I don't think Covea has acted unfairly nor done anything contrary to the policy terms. And I don't see a compelling reason to change the proposed outcome in this case.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 12 February 2018.

Stephen Cooper
ombudsman