

complaint

Miss B and her representative are unhappy with the way Aviva Insurance Limited has recorded an incident as a fault claim on her motor insurance record.

background

Miss B was involved in an accident while stationary at traffic lights. She provided the details of the other vehicle's registration to Aviva when she made a claim on her motor insurance policy. But it found the plates had been cloned and it cannot trace the other driver. As a result Aviva hasn't recovered its outlay and has recorded the claim as a fault one on her record. She's unhappy about this, not least as it's resulted in her losing her no claim discount ("NCD") which was one month away from being for three years. Miss B says this is unfair as she didn't do anything wrong. And she wants her NCD reinstated.

Aviva said in its final response that although it appreciates that the circumstances of the incident suggest Miss B wasn't at fault, it hasn't been able to recover its outlay due to the third party being untraced. And it cannot allow the NCD in this circumstance.

Our investigator felt this complaint shouldn't be upheld. He said:

- Any claim on a motor insurance policy where the insurer is unable to recover its costs from a third party will be recorded as a "fault" one even if its policy holder isn't responsible for the accident. The claim is only recorded as "non fault" if an insurer recovers all of its costs of dealing with the claim.
- Here the other driver couldn't be traced and Aviva hasn't been able to recover its costs of repairing Miss B's car. This means the claim must be recorded as a fault claim.
- Miss B says this is unfair but an insurer has a duty to accurately record claim information on the Claims and Underwriting Exchange ("CUE") database.
- Miss B's policy documents make clear that unless Aviva is able to recover all sums it's paid on a claim it will reduce her NCD and this is even if the accident wasn't her fault. The policy also sets out the extent of the reduction of the NCD.
- Aviva hasn't done anything wrong in its handling or recording of the claim.

Miss B remains unhappy. She says the circumstances of the accident are exceptional and things should be reviewed. It isn't right she suffers for something that was beyond her control. Her premiums will now increase and this will have a big effect on her. It's unfair.

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 understand how frustrating it is for Miss B to see Aviva recording this claim as a fault one when she says she wasn't responsible for the accident. But by recording it as a fault claim Aviva isn't saying that she was liable or responsible for what happened. It's in fact reflecting that it hasn't, for whatever reason, been able to recover all its outlay on the claim from the third party.

That's correct as here Aviva hasn't recovered the costs of repairing Miss B's car because it couldn't trace the other driver who was using a vehicle with cloned plates. As a result I think Aviva has properly recorded the claim on CUE as a fault one.

I also think Aviva has acted in line with the policy terms and conditions by doing so and also by reducing Miss B's NCD as a result, as the policy sets out what will happen to her NCD if a claim is recorded.

Consequently although I understand Miss B and her representative's strength of feeling and frustration, I don't think Aviva has done anything wrong. And, although I sympathise with the unfortunate situation Miss B has through no fault of her own found herself in, I cannot fairly or reasonably require Aviva to amend her record and record this claim as a non fault one as they'd like.

Overall I don't see any 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 Miss B to accept or reject my decision before 27 July 2019.

Stephen Cooper
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