

The complaint

Miss D and Mr Q complain that U K Insurance Limited (UKI) declined to provide cover or to pursue a third party for damage caused during a collision, under Miss D's motor insurance policy.

I'll refer to Miss D in my decision for ease.

What happened

Miss D was driving her mother's car when she was involved in a collision. She says the other driver was travelling too fast and was at fault. She says the driver and his passenger behaved in an intimidating manner. He offered cash to settle the matter, but Miss D refused and obtained the driver's contact details.

Miss D made a claim to UKI. She says it refused to contact the other driver's insurance company to deal with the claim. Miss D says she is insured on a third-party basis and UKI should get the other insurer to pay for the damage to her mother's car. She says she pays for legal expenses, which means UKI should represent her in this matter.

In its final complaint response UKI says Miss D was driving her mother's car, which isn't covered. In these circumstances it says cover is only in place for damage to the third-party. UKI says it would only look to pay damages if Miss D was fully or partially to blame.

UKI says Mr Q was told in error that Miss D wasn't allowed to drive other cars. It explains this isn't correct. She's covered to drive other cars with the owner's permission on a third-party basis. To compensate for the worry this caused it sent Miss D a cheque payment for £50.

Miss D thought this outcome was unfair and referred the matter to our service. Our investigator didn't uphold her complaint. He says there's no cover under Miss D's policy to repair her mother's car as a result of the accident. Our investigator didn't think UKI acted unfairly when it declined to cover the claim.

Miss D disagreed and asked for an ombudsman to consider her complaint.

It has been passed to me to decide.

What I've decided – and why

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

Having done so I'm not upholding Miss D's complaint. I'm sorry to disappoint her but I'll explain why I think my decision is fair.

I've read Miss D's policy terms and conditions to understand the cover she has in place. Under, "*Section 1: Liability*" on page ten of Miss D's policy booklet, the terms say:

“Liability to other people (third parties)

We’ll cover you if you’re found to be legally responsible for an accident.

What we’ll do

We’ll provide cover:

If you cause an accident We’ll provide cover if you’re found to be legally responsible to other people for an accident involving your car that:

- *injures or kills someone, and/or*
- *damages someone else’s property*

... If the main driver is driving another car

The main driver may be covered for liability to others when driving another car. If they’re covered:

- *You’ll see this on your certificate of motor insurance.*
- *When the main driver drives any other car, we’ll provide the same cover as ‘If you cause an accident’ above..”*

Page eleven of the policy terms and conditions booklet says:

“You’re not covered for

If you’re driving another car

- *We don’t cover any damage, fire or theft to the car you’re driving.*
- *We don’t provide Motor Legal cover if you’re driving another car.”*

I’ve checked Miss D’s certificate of motor insurance. It says:

“[Miss D] may also drive with the owner’s permission a motor car not owned by them and not hired or leased to them under a hire purchase or annual leasing agreement.”

I think it’s clear from this information that Miss D was covered for driving her mother’s car. However, the cover is limited to third party damages, not damage to the car Miss D was driving. The terms also make clear that there is no motor legal cover in place in these circumstances.

I can see that UKI sent a further email to Miss D after its final response letter. This email dated 23 February 2023, explains that to claim for damages to the car she was driving Miss D can claim directly to the third-party’s insurer. Alternatively, she could see if there was cover in place through the insurance policy held on the car she was driving.

Having consider this, I can’t see that Miss D’s policy covers the damage to her mother’s car. Similarly, I can’t see that UKI is responsible for pursuing the third-party’s insurer for the damages Miss D is seeking. She has no motor legal cover in these circumstances. This means she must pursue the third-party’s insurer directly. This isn’t something UKI is required to do.

The claim records show UKI’s agent gave inaccurate information when the claim was first

made. It said no cover was in place for Miss D to drive her mother's (or any other) car. I think it's fair that UKI apologised for this error and paid £50 compensation for the worry it caused.

In summary I think UKI treated Miss D fairly when relying on its policy terms and declining to cover her loss or to pursue the matter with the third-party's insurer. I don't think it behaved fairly when its agent gave inaccurate information about the cover in place for driving other vehicles. But I think it's done enough to put this right by apologising and paying £50 compensation. So, I can't reasonably ask it to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D and Mr Q to accept or reject my decision before 23 October 2023.

Mike Waldron
Ombudsman