

The complaint

Miss B has complained about Advantage Insurance Company Limited's decision to settle a claim under her car insurance policy as a fault claim.

What happened

Miss B was involved in an incident with another vehicle and a claim was made under her car insurance policy with Advantage. Advantage decided to settle the claim as a fault claim.

Miss B didn't agree with Advantage's decision and so she complained. But Advantage didn't uphold Miss B's complaint. So Miss B brought her complaint to us.

Our Investigator thought Advantage had reached its decision to settle the claim in a reasonable way, based on the available evidence from both parties. So he didn't recommend Advantage do any more.

Miss B didn't agree and wants an ombudsman 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.

We don't decide liability as this is the role of the courts. But we can decide whether an insurer has reached its decision in a reasonable way and in line with the policy.

Miss B's policy with Advantage has a very common term which allows Advantage to settle a claim in Miss B's name. This means Advantage might reach a decision that Miss B doesn't agree with, but the policy allows it. We don't disagree with this term in principle provided an insurer can show it treated its customer fairly when applying it.

The circumstances are that Miss B says she was a passenger with a named driver under her policy who was driving when the incident happened. She says there was a queue of traffic and so the named driver decided to carry out a manoeuvre to turn around and drive in the opposite direction from the queue. While doing so, another vehicle from behind in the queue was carrying out a similar manoeuvre. Miss B says the third party driver collided into her car and caused the incident.

Miss B provided details of two witnesses to support her account. But when Advantage made contact with the witnesses, one denied being there and the other denied witnessing the incident.

The third party driver's insurer provided an independent witness statement. Their account was consistent with the third party driver's account of what happened. Their witness said the third party driver was stationary at the time when Miss B's named driver collided into the third party driver's car.

According to the accident report form submitted by Miss B, there was no CCTV available - and so based on the lack of independent witnesses for Miss B's named driver - and the independent witness statement from the third party driver's insurer - Advantage decided to settle the claim as a fault claim. It said it did this based on what it believed a Judge would most likely decide, should the matter go to court.

Miss B believes Advantage reached its decision because she didn't renew her policy with it. I've seen nothing to show this to be the reason. An insurer is entitled to reach a decision, based on its experience of handling claims and how likely its chances are of success if it defends a claim which proceeds to court. There is a risk of substantial costs in proceeding to court - and so an insurer is reasonably entitled to decide to settle a claim on the best terms possible on review of the evidence available.

In this case, I think Advantage has properly investigated the claim and reasonably shown why it reached the decision it did. I'm sorry to disappoint Miss B. But this means I'm not asking Advantage to change how it has recorded and settled the claim.

My final decision

My final decision is that 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 6 October 2023.

Geraldine Newbold
Ombudsman