

The complaint

Mr C has complained that AA Underwriting Insurance Company Limited (AAU) are unfairly recording his claim under his motor policy as a fault claim.

What happened

Mr C's car was hit whilst parked in January. He made a claim on his policy and his car was repaired and AAU requested its outlay to be paid by the other driver's insurers. As those negotiations are still ongoing AAU recorded Mr C claim on his policy as a 'fault' claim. Mr C is very unhappy with this as it has increased his renewal premium for his motor insurance.

AAU explained that it is entitled to record the claim as a 'fault' claim until or unless the other driver's insurers pay its costs. This is standard industry practice and it doesn't think it has done anything wrong.

Mr C disagreed and brought his complaint to us. The investigator agreed with AAU that she didn't think it had done anything wrong either.

Mr C remained dissatisfied, so his complaint 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 this complaint and I'll now explain why.

First Mr C has also made a complaint about the renewal premium increase, which I will deal with separately as that isn't the responsibility of AAU, so this complaint merely concerns the issue that AAU has recorded Mr C's claim as a 'fault' claim on his policy record until the other driver insurer's insurers pay its costs.

It's clear from the facts surrounding the claim that Mr C can't be at fault for causing this accident as his car was parked. And that's the position AAU has taken with dealing with his claim. It has repaired his car and gave him a hire car for the duration of those repairs which obviously incurred costs which it has paid.

Under the regulations which govern motor insurers they are obliged to record a claim as a 'fault' claim once they have paid any costs in relation to that claim. It's clear industry practice to do this.

In instances like here, where there is no doubt Mr C didn't cause this accident, AAU correctly started negotiations with the other driver's insurers. Until those negotiations conclude and AAU are correctly reimbursed for Mr C's claim, AAU are doing nothing wrong in recording

his claim in this way. Sadly, these negotiations take time and not all the delays will be down to AAU either. The ultimate method of concluding the matter which everyone tries to avoid is issuing legal proceedings.

It's acknowledged by the regulations that puts Mr C at a disadvantage for a while but once the matter is sorted out and claim can then be registered as a 'non-fault' claim any losses Mr C has suffered as a result can then be rectified.

As a means to reassure Mr C here, recording a claim in this manner doesn't put him on any debtor's list nor indeed does it label him as a debtor. It merely shows that as present he has a 'fault' claim (meaning his insurers have not yet got back their costs given the accident wasn't his fault) on his insurance record.

My final decision

So, although I appreciate Mr C will be disappointed with my decision for these reasons, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 October 2023.

Rona Doyle
Ombudsman