

The complaint

Mr K complains that Ageas Insurance Limited mishandled a claim on his motorcycle insurance policy.

What happened

Mr K had a scooter. For the year from December 2018, he had a policy for it under which Ageas was responsible for dealing with claims. Where I refer to Ageas, I include claims-handlers and others for whose actions I hold Ageas responsible.

On 4 November 2019, Mr K was riding on a major road when he had an alarming experience. He reported that a car had pulled out in front of him and - as he swerved to avoid it - Mr K and his scooter slid along the carriageway.

Mercifully, he and his bike didn't come into contact with anything other than the road surface. The car drove on. Paramedics took Mr K to hospital as a precaution. He reported that his bike was only scratched and was fine to use.

But a highways agency said it had incurred clean-up costs and asked Ageas to pay on Mr K's behalf. Ageas settled the claim on a without prejudice basis. Mr K complained to Ageas about how it handled the claim.

Ageas wrote a final response dated 3 July 2020. Unhappy with that, Mr K brought his complaint to us in August 2020.

Our investigator recommended that the complaint should be upheld in part. He didn't think that Ageas acted unfairly in reaching the decision to settle the claim. But he found Ageas responsible for not actioning Mr K's change of address and subsequently sending correspondence to his old address. The investigator recommended that Ageas should pay Mr K £30.00 in compensation.

Ageas agreed with the investigator's opinion. Mr K disagreed. He asked for an ombudsman to review the complaint. He says, in summary, that it's not about the money. He would like Ageas to not record the claim on his account.

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.

Almost all motor insurance policies contain a term allowing the insurer to decide how to deal with a claim from a third party. The effect of such a term is that – on the question of whether to settle a third party's claim – the insurer's view will prevail over the policyholder's.

I will consider whether Ageas acted fairly. Unlike a court we don't hear from witnesses to an incident to decide the extent to which anyone was liable.

From what I've seen, Mr K didn't make a claim for damage to his bike. But it may not be too late for him to contact Ageas about that.

The highway agency's contractor contacted Ageas to claim for a call-out charge and clean-up. It sent a report including photographs of Mr K's bike and a worker sweeping up what appears to be cleaning fluid.

On 26 February 2020, Mr K asked Ageas to note his change of address. I find that it didn't do so within a reasonable time. Ageas sent correspondence to his old address. Fortunately, Mr K received it. So the incorrect address didn't affect the handling of the claim.

Ageas appointed an independent loss adjuster who assessed the claim and advised that it was valid. Ageas decided not to incur the costs and risk of a court case. So by mid-March 2020, Ageas had already agreed in principle to pay the claim on a without prejudice basis.

I see that on 2 April 2020, Ageas asked Mr K for contact details of his witnesses. Mr K gave details for one witness in mid-April. I haven't seen any evidence that Ageas contacted the witness. But I find it unlikely that the witness would've outweighed the contractor's report that it had attended and done a clean-up.

From a letter in mid-May 2020, I find that Ageas sent Mr K a copy of the contractor's report and photographs.

Ageas paid £770.00 to settle the claim. I accept that it did that to avoid the costs and risk of a court case.

I accept that Ageas' decision is likely to have cost Mr K money in terms of his insurance premiums for later years. But I don't find that Ageas treated Mr K unfairly by settling the claim without prejudice to liability. So I don't find it fair and reasonable to direct Ageas not to record the claim against Mr K's policy.

Putting things right

But the incorrect address caused Mr K some extra inconvenience and upset in an already difficult situation. He had to repeat his request more than once. I consider that (rather than £30.00) £50.00 is fair and reasonable compensation for this distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Ageas Insurance Limited to pay Mr K £50.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 22 February 2021.

Christopher Gilbert
Ombudsman