

## **The complaint**

Mr M complains about how Aviva Insurance Limited settled a claim on his car insurance policy.

## **What happened**

Mr M was involved in an accident with a motorcycle while turning at a junction. Mr M initially looked at claiming on his policy but decided not to as the damage was minor, and he thought the third party was responsible for the accident. He also provided Aviva dash with cam footage of the accident.

The third party then claimed for the damage caused by the accident and said Mr M was at fault. Aviva reviewed the claim and decided it wasn't one it could defend in court, it also raised some questions about the amount claimed from the third party but then settled on a lower amount with Mr M being held mainly at fault for the accident. Mr M didn't think this was fair and complained, he said the third party had made a fraudulent claim and inflated the claim costs.

Aviva reviewed the complaint and didn't uphold it. It found that while the initial amount claimed by the third party was higher than settled, it didn't think it was one it could defend if it went to court. Mr M didn't think this was fair and brought his complaint here.

Our investigator reviewed Mr M's complaint and didn't recommend it be upheld. He found that Aviva had sought legal advice on whether they would have a reasonable chance of success if it went to court. He also found that while there were some questions over the third party claim Aviva had decided to settle it to keep the claim costs down. Mr M didn't think this was fair and raised several points on why he thought Aviva should have done more.

As Mr M didn't agree with our investigator the complaint has come 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.

Mr M has made a number of detailed points. We're an informal dispute resolution service set up as a free alternative to the courts. In deciding this complaint I've focused on what I consider to be the heart of the matter rather than commenting on every issue in turn. This isn't intended as a discourtesy to Mr M. Rather it reflects the informal nature of our service, its remit and my role in it.

The terms and conditions of Mr M's policy, like most policies we see, give Aviva the right to take over the defence or settlement of any claim, as it sees fit. That means it might make a decision Mr M disagrees with and not try to recover its outlay or settle a claim from the third party or their insurer. But we'd look at whether Aviva made a reasonable decision in doing this based on the evidence it had and the circumstances of the case.

I can see Aviva reviewed the dash cam footage Mr M provided and also got a legal opinion

on whether this was a claim it could win if it went to court. As it didn't think there was a prospect of success if it went to court Aviva decided to settle the third party claim. I understand Mr M isn't happy about this or that he wasn't told beforehand, but the policy allows Aviva to do so and I'm satisfied it was fair and reasonable in the circumstances.

I've also considered Mr M's points about the third party claim being fraudulent and having inflated claim costs. I can see Aviva questioned these and ultimately settled on a lower amount. When our investigator also questioned the damage to the third party motorcycle Aviva said it had been assessed by a qualified engineer and so made the choice to settle the claim to try and keep the costs down. I appreciate this isn't the answer Mr M was hoping for, but I'm not persuaded Aviva did anything wrong by doing this. It therefore follows that I'm not going to tell Aviva to do anything more.

### **My final decision**

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 April 2022.

Alex Newman  
**Ombudsman**