

The complaint

Mr L complains about how Ageas Insurance Limited (“Ageas”) handled a claim and increased the renewal price of his car insurance policy.

What happened

Mr L had a motor insurance policy with Ageas.

In March 2022 he was involved in a minor collision when he said his car rolled back into another vehicle. He said the damage caused by his tow ball was to one side of the third party’s front bumper.

He notified Ageas. The third party made a claim from their insurance company for damage to both two areas of the front bumper, and asked Ageas to pay for it. Ageas disputed parts of the claim.

About a year later his policy was due for renewal and he took out a policy direct with Ageas, rather than via a broker as he’d previously done. Ageas then said he’d not told it about the collision and charged him a higher premium.

In May 2023 Ageas decided to settle the claim for about £295.

In March 2024 Mr L called to get an update. Ageas hadn’t updated him. It apologised.

Mr L remained unhappy. He said he regarded the claim as fraudulent as the damage reported seemed to be on the other side of the vehicle than he’d hit.

Mr L wasn’t happy about the amount of his premium increase at renewal in 2024, which had increased by an amount slightly larger than the claim amount, or Ageas’ handling of his claim.

He brought his complaint to this service. He asks that the claim is removed from his records.

Our investigator looked into his complaint and thought it wouldn’t be upheld. She said the incident was one that needed fairly recording, and although Ageas hadn’t updated Mr L, that hadn’t changed the situation with regards to his renewal premium.

Mr L didn’t accept the view.

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.

I’m not upholding Mr L’s complaint and I’ll explain why as I appreciate the strength of feelings Mr L has about this.

I can see from the file that Ageas was dealing with the third-party insurer handling the claim

against Mr L. The third-party insurer doesn't seem to have moved quickly at all, and typically responded to Ageas by re-sending already submitted evidence of damage and repairs. Ageas, in return, took action to refuse to pay one part of the third party's claim it wasn't happy about, and pointed out the inconsistencies in the claim.

It's important I say that Mr L collided with the other vehicle. As such, his policy stands ready to pay a claim brought by a third party. I can see from the evidence that Mr L admits a small amount of damage was caused by him.

Because he caused a collision, it's fair that Ageas record it on his records, and update industry databases, and I'm not going to ask it to change those.

In his response to the view, Mr L says he regards Ageas as having a duty of care to him and the industry to defend fraudulent claims. But I can see from the file that Ageas did defend Mr L's position. I appreciate his concern about this, but as I've said above Mr L's admitted moment of negligence meant that Ageas had then to stand ready to pay for damage he'd caused.

Mr L talks about the exact location of the damage being claimed for by the third party, but from the file I have there is limited evidence about exactly what was caused by his tow ball hitting the third party.

Again, I appreciate Mr L's desire for a fair outcome, but the third party suffered some damage which Ageas has paid for. It refused to pay for some parts of the claim, so limited the financial impact of it. Ageas also has a responsibility to its shareholders to keep claims costs low, and I think what it's done with the third party is reasonable.

However, it's clear Mr L wanted updates from Ageas and it failed to do so. And I agree that's not very good service for Ageas.

I'd say, having read the file, that there wouldn't be much for Mr L to be updated with (which is likely because of the slow and poor responses from the third-party insurer), but the fact remains that he asked for them and Ageas agreed to supply them, then failed to do so.

Mr L points out that he told Ageas not to settle the claim without reference to him.

From the information I have, Ageas is allowed to handle claims as it wishes, and this is part of the policy wording. What this means is that it doesn't need to agree with Mr L's wishes about whether the claim is paid, or not. This type of wording is common in insurance and I think its use is fair.

I understand Mr L's desire to have the situation referred to him, but I don't reasonably think Ageas needed to do this under the terms of its policy wording. He's mentioned that the wording allowing it to do this appears in a particular page of the policy document, but it is a standard approach in motor insurance.

But it did agree to update Mr L so I need to consider the impact of that poor service on him.

Mr L has said he's found that his 2024 renewal premium increased significantly with Ageas, but he stayed with the company because he checked rates elsewhere and they were even higher.

I should perhaps mention the general rate of inflation, and specific types of inflation, such as vehicle parts costs and repair prices, encountered by insurance companies in recent years. Those costs may well have been passed on to customers like Mr L.

I can't see this has been commented on by Ageas but it's fair I mention it here. Mr L has mentioned he tried to get cover elsewhere at a price he preferred, and wasn't able to. So I think this shows Ageas hasn't acted unfairly in pricing his policy at renewal.

Taking all this into account, I don't think Ageas' service has been as good as it should, but I think the impact of it not updating Mr L was relatively minor. Importantly, whether Mr L agreed with Ageas settling his claim or not, I'm not persuaded the outcome to him or his renewal premiums would have been any different. So it follows that I'm not upholding this complaint.

My final decision

For the reasons set out 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 L to accept or reject my decision before 2 October 2024.

Richard Sowden
Ombudsman