

## **complaint**

Mr T has complained that Ageas Insurance Limited failed to update him about a decision it made to settle a claim under his motorcycle insurance policy. Mr T doesn't agree with how Ageas reached its decision.

## **background**

Mr T bought a third party cover motorcycle insurance policy with Ageas in January 2017. In September 2017 Ageas wrote to Mr T. It said it wanted to speak to him about a claim it received from another driver for an incident that happened in June 2017.

In September 2017 Mr T asked Ageas to communicate with him by email for recording purposes and he asked for more information about the claim. He provided his account in October 2017. Mr T said the vehicles didn't collide. But he said he'd had to brake in order to avoid a collision with the other driver's car.

Ageas didn't hear anything further from the third party insurer. So in November 2017 it closed its file. However, in June 2018 it received further information from the third party insurer – which said it intended to issue court proceedings if it couldn't settle the claim with Ageas.

There were no independent witnesses and so it came down to being one driver's word against the other. However, the third party insurer provided an engineer's report to show damage to the third party's car consistent with his account. So in November 2018 Ageas agreed to settle the claim on a 'without prejudice' basis - split 50%50%. It wrote to Mr T to tell him the outcome.

Mr T complained to Ageas. He was unhappy that it had reached its decision without his permission. He thought Ageas should have kept him updated as he hadn't heard anything in over a year.

Ageas said it had dealt with the claim correctly and in line with the policy. It said because it settled the claim on a 'without prejudice' basis, this didn't prevent Mr T from pursuing the third party directly for his losses.

Mr T asked us to look at his complaint. He said Ageas had lied. It said it didn't have a contact number for him – but his policy documents show it did. He thought this was an excuse by Ageas for failing to update him.

Our investigator thought Ageas had dealt with the claim reasonably. She thought there had been a gap in keeping Mr T updated. But she didn't think Ageas' actions made a difference to the outcome of the claim.

Mr T didn't agree. So the case has been passed to me to decide.

## **my findings**

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 don't intend to uphold it. I'll explain why.

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

Mr T's policy with Ageas has a term which I've found in most motor insurance policies I've seen – so it isn't unusual. This term allows Ageas to settle a claim as it sees fit. This means it might make a decision Mr T doesn't agree with but the policy allows Ageas to do this. We don't disagree with this term in principle, provided the insurer shows it treated its customer fairly.

Mr T and the other driver have provided different accounts of what happened. Mr T says the vehicles didn't collide – but he had to brake because the other driver switched lanes and he had to take action to avoid a collision.

The other driver said that Mr T collided into his car and caused damage. The third party insurer provided evidence of causation by way of photos and an independent engineer's report.

There were no independent witnesses – so it was for Ageas to decide whether its chances of success were high enough to consider the significant costs and risk of defending the claim to court. Or Ageas could decide to settle the claim without prejudice and on the best terms possible. As it was one party's word over the other, the insurers agreed to settle the claim on a 50%50% basis. I think Ageas reached its decision reasonably.

Ageas wrote to the third party insurer in October 2017 and asked for further information. But it didn't hear from them and so, in November 2017 it closed its file.

In June 2018 the third party insurer made contact with Ageas again. As this was still well within the period of time for the third party to bring a claim, I think it was reasonable for Ageas to consider.

Mr T asked Ageas why it didn't contact him before it made its decision. He says that Ageas lied to him because it said it had no contact number for him.

In a letter to Mr T dated 8 January 2019 Ageas said that it didn't have a contact number for Mr T. I agree with Mr T that from his policy document it had recorded his phone number. So Ageas was incorrect here. However, the letter also says:

*"I also note that when you first contacted us via email on the 19 September 2017, you advised that you would only deal with such a matter via email for record purposes."*

Ageas has provided a copy of Mr T's email dated 19 September 2017 which confirms his request when Ageas asked to speak to him to discuss the incident.

Mr T says that of course he would have accepted a phone call if it was absolutely necessary. But he feels Ageas used his request to be contacted by email as an excuse to ignore him. Mr T feels Ageas has prejudiced any claim he may want to make against the third party because of the way it's settled the claim.

I've thought about the impact and consequences for Mr T by Ageas' decision not to contact him until it reached its decision in November 2018. I understand he was upset to find out it had settled the claim.

But as I've said, I think Ageas acted reasonably here in the decision it reached. So the remaining issue is whether its lack of update to Mr T between June 2018 and November 2018 made a difference. I don't think it did. Even if Ageas had updated Mr T in June 2018 – or attempted to call him to discuss the claim - I think the outcome of the claim would have been the same. There was no update to give Mr T since it last communicated with him in October 2017. And had Ageas attempted to call Mr T to discuss the claim, I think Mr T may have been justified in criticising Ageas because it hadn't communicated with him as he'd asked.

I don't think the way Ageas has settled the claim has prejudiced Mr T, because it's settled it in line with the policy and on a 'without prejudice' basis. I understand Mr T will be disappointed with my decision. But I don't think Ageas acted unreasonably. So this means I don't think it needs to do any more.

### **my final decision**

For the reasons I've given 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 T to accept or reject my decision before 10 July 2019.

Geraldine Newbold  
**ombudsman**