

## The complaint

Mr M complains about how UK Insurance Limited ('UKI') dealt with liability for a claim made under his motor insurance policy.

Mr M's policy was sold and is administered by a third party company on UKI's behalf, and all his correspondence has been with this company. However, UKI is the policy underwriter, so the complaint is against UKI. Any reference to UKI in my decision includes the policy administrator.

## What happened

Mr M had a UKI car insurance policy. In July 2023, he was involved in an accident. The third party's insurer (TPI) blamed Mr M for the accident; Mr M blamed the other driver. In other words, the two insurers disputed liability for the accident.

Mr M submitted dashcam footage to UKI. After reviewing the footage, UKI told Mr M it believed both parties were equally responsible for the accident, so it intended to share liability with the TPI. This wasn't agreed until November 2023. UKI later offered Mr M £250 to apologise for the delays in dealing with his claim.

Our investigator didn't recommend that the complaint should be upheld. She was satisfied that UKI's assessment of the claim was fair and its decision to split liability with the TPI was reasonable. She thought its £250 offer to apologise for the delays was fair.

Mr M didn't accept this, so the case was passed to me to make a final decision.

## 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.

Under the terms and conditions of Mr M's policy, UKI can take over and defend or settle a claim as it sees fit (page 33, '*Other conditions you need to know about*'). This is common in car insurance policies and UKI doesn't need Mr M to agree this. This also means UKI can make a decision Mr M doesn't agree with. If it does, I can decide if that decision was fair and reasonable.

I think the dashcam footage is conclusive. The third party vehicle entered the roundabout from the first exit (from Mr M's point of view). Both vehicles entered the roundabout at roughly the same time, and both were trying to take the second exit (again, from Mr M's point of view). There was heavy traffic and both vehicles had to stop in the roundabout to wait for others to exit. I understand why both insurers concluded that the third party was already established on the roundabout by the time Mr M reached the stationary line of traffic.

As the two vehicles moved off, they collided at low speed. Both insurers thought that if either party had shown more consideration towards the other, the accident wouldn't have happened. Again, I understand this position. So I think UKI's decision to split liability with the

TPI is supported by the evidence and was reasonable.

Mr M is unhappy UKI didn't contact the police when it assessed his claim. However, I don't think this was necessary given the dashcam evidence and I don't see what more the police might have added. So I don't think this was an unreasonable decision. Similarly, I found no evidence that UKI's claims handlers weren't sufficiently qualified to assess Mr M's claim or that they treated him unfairly.

UKI recorded the claim as a fault against Mr M. This is because a claim is considered 'fault' when the policyholder's insurer doesn't recover its full costs from a third party. That also means UKI reduced Mr M's No Claim Discount (NCD) from nine years to three years. This is in line with the policy terms (page 36, '*How the policy works*').

The relevant industry rules have always required businesses to treat their policyholders fairly. This is set out further by the new Consumer Duty, which set out higher and clearer standards of consumer protection. This means, among other things, that insurance companies should support their customers in making use of their policy without unreasonable barriers.

The TPI contacted UKI with its proposal on liability in mid-August 2023. UKI's records show that it didn't reply until the start of October. This also meant Mr M wasn't kept updated as he should have been. I agree with UKI that this aspect of how it handled the claim wasn't good enough. It offered Mr M £250 to apologise for not progressing the claim "*in a timely manner*". Having considered the level of awards this service makes in similar circumstances, I'm satisfied that this is fair. I'm not going to ask UKI to do anything more.

### **My final decision**

My final decision is that I don't uphold the complaint because I think UK Insurance Limited's offer is fair.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 December 2024.

Simon Begley  
**Ombudsman**