

complaint

Mr and Mrs D have complained about UK Insurance Limited. They do not agree with its decision to accept liability and settle a claim on their motor insurance policy.

background

Mrs D was involved in an accident when she was driving her car. She was turning right into a side road. The oncoming traffic had stopped to allow her to turn but as she did so she collided with a motorcycle. Mrs D says that the motorcycle was driving at speed along a cycle lane. Her view was blocked by the stationary cars. She had stopped her car but the motorcyclist was going too fast and could not stop.

Mr and Mrs D are unhappy that UK Insurance settled the third party's claim against their policy. They believe that decision was wrong. When they reported the accident they were told that they could expect a split liability at worst.

Our adjudicator considered the complaint but he did not think that it should be upheld. He explained that UK Insurance could decide how to settle the claim as the terms and conditions of the policy said it could. This service can review how it assessed the evidence and make sure that it has made a fair and reasonable assessment but we cannot decide liability.

Mr and Mrs D did not agree and asked for a decision from an ombudsman. They say that they could have involved the police if they had been told that was necessary. They also feel that it is unacceptable to be given a false assurance about 50/50 split liability being the worst case scenario.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I agree with the adjudicator and do not uphold this complaint.

The issue I have to decide is whether UK Insurance acted unreasonably by accepting liability on Mrs D's behalf when settling the third party's claim. It is not our role to decide which party is at fault for an accident. I can look at what an insurer has done and make sure it is in line with the policy terms. The policy does allow UK Insurance to decide how to deal with the claim, including whether to settle it and on what terms. If it considers that there is little chance of establishing that the other party is at fault, it can look to limit its financial outlay by settling the claim and by doing so sooner rather than later.

I am satisfied that UK Insurance considered all of the available evidence including everything that Mr and Mrs D provided. Mr and Mrs D disagree with its conclusion and I can understand that. But I do not think the investigation it made was inadequate. A cause of the collision was Mrs D turning across the oncoming lane as she turned right into a side road. She was obliged to make sure the road was clear for her to make that manoeuvre. So, based on the available evidence, I do not think UK Insurance's conclusion that liability should be admitted in order to settle the claim was unfair or unreasonable.

I can understand that Mr and Mrs D will be disappointed that liability was admitted after they were told that a split was the most likely outcome. But I don't think the comments UK

Insurance made at the start could reasonably be regarded as firm assurances. At that point it had only got Mr and Mrs D's version of events, and it was not unreasonable for it to reach a different conclusion after further investigations were completed. As I have said, the terms of the policy allowed it to decide whether to accept liability or fight the claim from the motorcyclist.

In any case, whether a claim is settled on a 100% fault or 50/50 split liability basis, it will still count as a 'fault' claim and will be recorded against a policy holder's no claims discount ('NCD'). It is the fact of a fault claim, and the number of claims on a policy that will have an effect on the NCD and premium. So even had the claim been successfully negotiated to settle on the 50/50 basis originally suggested by UKI, Mr and Mrs D's position would have been no different in this respect.

my final decision

I do not uphold this complaint about UK insurance Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs D to accept or reject my decision before 29 June 2015.

Keith Taylor
ombudsman