

The complaint

Mr M complains that U K Insurance Limited (UKI) unfairly settled a claim on a 50/50 split liability basis, under his motor insurance policy.

What happened

On 31 October 2023 Mr M was driving when a third-party turned in without indicating and collided with his car. He says the other driver didn't stop. Mr M contacted the police, and it was able to trace the other driver from the car's number plate. He reported the incident to UKI.

Mr M says he was subsequently told by UKI that the third-party's insurer (TPI) had offered a 50/50 liability split for the claim. Mr M didn't think this was fair. But UKI proceeded to settle on this basis.

In its final complaint response dated 19 March 2024 UKI says it understands why Mr M is upset by the split liability decision. But it has no independent witnesses, no CCTV or dashcam footage. It says that although the other driver didn't stop, this isn't sufficient evidence to pursue a different outcome. UKI says incorrect information was given on a call to Mr M. It says it was the TPI not UKI that offered a split liability outcome. Because of this error it offered £50 compensation.

Mr M didn't think UKI had treated him fairly and referred the matter to our service. Our investigator didn't uphold his complaint. He thought it was fair UKI offered £50 compensation for its communication over the phone. But he says the business can decide how to settle any claim in line with its policy terms. Our investigator was satisfied that UKI had requested a report from the police. But as this hadn't been provided, it acted reasonably in settling the claim as it did.

Mr M wasn't satisfied with this outcome and asked for an ombudsman to consider his complaint.

It has been passed 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.

Having done so I'm not upholding Mr M's complaint. Let me explain.

I've read Mr M's policy terms and conditions. This allows UKI to take over and settle a claim on his behalf. It doesn't need his permission to do this. We don't think this is unfair. But it doesn't mean UKI can do anything it wants. It must still treat Mr M fairly. I've considered whether it did that here.

Mr M's testimony puts the other driver squarely at fault for the collision. He says he didn't

indicate when moving into his lane, and also failed to stop after the accident occurred. He recalls that there was another car close by that could've been a potential witness. But he wasn't able to note the licence plate.

In the absence of CCTV, dashcam footage, a witness statement or other evidence to support how the accident occurred, I don't think UKI acted unreasonably when it agreed to accept the TPI's offer to settle on a 50/50 split liability basis. As discussed it's for UKI to decide how best to settle a claim. It has experience in what a court is likely to decide based on the evidence available. UKI says in this case it came down to Mr M's testimony against that of the other driver. So, I think its argument is persuasive that a 50/50 split liability decision was the only viable option here.

UKI requested a copy of the police report. I can see that it also chased for this information. It's provided evidence of these contacts and of the payment it provided for the report. Unfortunately, it wasn't provided with a police report. I understand Mr M has made further enquiries of the police and says this information is to be provided to UKI. If received the business can consider whether this makes a difference to its decision to settle the claim as it has. But for the purposes of my decision, I'm considering up to 19 March 2024 when Mr M was sent UKI's final complaint response. In the event that a report is provided, and Mr M isn't satisfied with UKI's actions, he can make a separate complaint.

I can understand Mr M's frustration with how this claim has been settled, when considering his account of what happened. But based on the evidence I don't think UKI treated him unfairly when agreeing to settle the claim in the way that it did.

The settlement offered by the TPI was done on a without prejudice basis. This means that should Mr M want to pursue the matter further with the TPI, he can do so.

My final decision

My final decision is that I do not 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 12 November 2024.

Mike Waldron
Ombudsman