

The complaint

Mr B says UKI Insurance Limited made the wrong decision about liability when he made a claim on his motor insurance policy after an accident.

What happened

Mr B was in the left-hand lane of a roundabout, intending to leave it at the second major exit. A car that had joined the roundabout at the same time he did (in the right-hand lane) took the first major exit, and there was a minor collision between the cars. Mr B thought the other driver had caused the accident, as she'd moved across his lane. The other driver said Mr B had moved into her lane. Initially, UKI held the other driver fully at fault for the accident, but later, it agreed with the other insurer to settle the claim with liability split equally.

UKI offered Mr B £125 compensation for changing its liability decision. It said its advisors hadn't fully reviewed the evidence, and that the claim was still under review, when they told him liability had been decided in his favour. The other insurer disputed it, and after further consideration, both insurers agreed that liability should be shared.

One of our Investigators reviewed Mr B's complaint. He said that as the exit taken by the other driver had *two* lanes that could be entered from the roundabout, it was arguable that two lanes on the roundabout should be able to access it. So in his view it was arguable that the other driver wasn't in the wrong lane. He also cited the '12 o' clock' rule of thumb on roundabouts, under which anyone taking an exit before the 12 o' clock position should normally be in the left lane. He thought Mr B's exit was just past 12 o' clock, so it was also arguable he should have been in the right-hand lane. The investigator thought it was fair for UKI to think there was no reasonable chance of success in court arguing for full liability.

As there was no agreement, the complaint was passed to me for review.

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.

As the Investigator has already explained, we don't decide which party is responsible for an accident. Insurers have the right to settle claims as they think fit, and we only intervene if there's sufficient evidence that they have acted unfairly in doing so.

UKI told Mr B the reason it had changed its stance on liability was that it had noted there were arrows on the road approaching the roundabout that showed both lanes could go straight ahead. Mr B disputed that there were any directions on the road. I looked at the footage and at an aerial view. The only road markings I could see near the roundabout were 'give way' signs. But UKI has provided an image that shows the arrows on the road that it has referred to. They aren't close to the roundabout, and in my opinion, they signify that, as a bus lane has just ended, drivers can now use both lanes to travel up to the roundabout.

In any event, I don't think being directed to go 'straight ahead' onto the roundabout means turning left at the first major exit, as the other driver did. UKI said Mr B tried to carry on around the roundabout (thereby staying in his own 'straight ahead' lane) and that his car collided with the other driver's car as she was leaving the roundabout. The implication seems to be that he should have taken her exit - and that the other driver assumed he'd be doing so. But there's nothing to show that Mr B was required to turn left at that exit, and he couldn't have known the other driver would do so, by cutting across his lane.

I think many drivers would have acted as Mr B did on the roundabout, and UKI's advisors were initially of the same view. They noted that the other driver had changed lanes and had collided with Mr B's car, which was there to be seen, in his lane. That didn't tally with her account to her insurer of Mr B having changed lanes. So UKI told the other insurer it held the other driver fully at fault. And it maintained that stance for some time.

The claims notes show that when the other insurer disputed UKI's decision, and offered to share liability 50:50, UKI noted that it seemed to be referring to a *Court of Appeal* case. The facts in that case were similar to those here. The court decided that on a roundabout, if a driver in the left lane is going to drive past a *two-lane* exit, that driver has to be aware that there could be someone in the right-hand lane who may want to take that exit, and check. But the court held the driver in the right-hand lane at fault too. They thought she'd made an *unwise assumption* (that the driver in the left-hand lane was going to take her exit). The court ruled that both drivers were equally at fault for failing to keep a proper lookout for other cars.

I can see why Mr B still thinks he wasn't to blame for the accident, and in my opinion, UKI didn't provide a full explanation for it to him. In the end it decided that as he was heading for an exit further around the roundabout (at 12 o'clock) it was arguable he should have been in the other lane. UKI also thought it was arguable that the other driver should have been in the left-hand lane. So both UKI and the other insurer thought both drivers were potentially at fault, as it could be argued that neither was in the correct lane for their intended route.

Had UKI insisted on the other insurer accepting full liability (when it had already made it clear it wouldn't do so) UKI would have had to be prepared to argue the case in court. I don't think it was unreasonable for it to decide that it wouldn't be able to do so successfully. I think it had a reasonable basis for that decision, given the two-lane exit, plus the fact that Mr B intended to drive past it. But I don't think UKI made this clear to Mr B. And although UKI didn't refer to it, I think the relevant caselaw would certainly have worked against any finding of full liability on the other driver's part.

UKI provided compensation to Mr B for changing its liability stance, but I understand his frustration with its final decision. Not only does he believe it's wrong, but it has also had financial consequences for him. I can assure Mr B that I've given his complaint considerable thought. Although I appreciate why his view on liability differs from UKI's view, ultimately I can't say it acted unreasonably in making its decision. So I can't uphold his complaint.

My final decision

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 B to accept or reject my decision before 21 March 2025.

Susan Ewins
Ombudsman