

The complaint

Mrs S has complained about the way her motor insurer, U K Insurance Limited trading as Churchill ('UKI'), dealt with a claim that was made against her policy.

What happened

In March 2024 Mrs S was involved in an accident with a third party which resulted in both cars sustaining damage as they drove past each other. Mrs S said it was the third party's fault as they were speeding and did not wait for her to pass.

UKI initially said it would hold the other party fully responsible but later said it believed this to be more likely a 50-50 case. Despite this, in October 2024 it wrote to the third-party insurer saying it would deal with the third party claim in full. This offer was quickly retracted and a 50-50 offer was made instead.

Mrs S wasn't happy and said she wasn't prepared to accept any responsibility for the accident. In terms of the circumstances of the incident, she said she had stopped and that the third party tried to squeeze through a gap rather than waiting. She said this was evident from the fact that the third party hit the rear of her car and carried on as seen by damage which was all along the side of their car. She said she provided UKI with dashcam footage which it failed to share with the third-party insurer to support her claim. She also said UKI caused delays and did not communicate with her.

UKI considered Mrs S's complaint and upheld it in part. It agreed that despite Mrs S providing the dashcam footage in April 2024, it didn't share it with the other side until October 2024. It also agreed that Mrs S called multiple times asking for updates and that it didn't ensure she was kept updated. It paid Mrs S £300 as compensation for its poor service.

In terms of liability UKI said it reached its decision because it seemed that the third party was fully established on the road and that there were parked cars on either side and that the incident could have been avoided if Mrs S had waited behind the parked cars. It said under the terms of the policy it is able to take over and deal with a claim on its insured's behalf.

Mrs S didn't agree and brought her complaint to our service. She said that UKI didn't deal with the matter in a professional manner and didn't act in her best interests. She said the matter caused her severe mental distress and that as a result of the claim her premiums will increase over the next five years.

The complaint was considered by one of our investigators who didn't think UKI had to take any further action and that its £300 compensation offer was fair and reasonable.

Mrs S didn't agree. She said that the dashcam footage didn't fully capture the incident. She said the third party had space to pass her but underestimated the gap behind her car. She said they were speeding and failed to stop which is why they have damage all along the side of their car where as her car was only damaged at the rear driver's side panel.

Mrs S asked for the matter to be escalated to an ombudsman and so the matter was 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.

The policy contains a condition which states that UKI can take over and carry out the negotiation, defence or settlement of any claim in its insured's name. This is not an unusual condition and we think it is fair that insurers should be able to rely on such conditions for reasons which include minimising costs. Nevertheless, this is as long as such conditions are applied fairly and reasonably.

Mrs S has provided photographs and dashcam footage which UKI relied on in assessing liability. From what I can see this evidence was reviewed by a number of its handlers and specialists who gave their opinion on the incident. Most felt that this would be a 50-50 case and some even thought that Mrs S may be held to be fully at fault. Their reasons included Mrs S deciding to manoeuvre around a parked car which they felt led to the third party having to take evasive action. They also felt that both parties had the opportunity to stop and avoid the collision but didn't.

As our investigator said, our role isn't to decide who was at fault for the accident but to decide whether UKI as Mrs S's insurer dealt with the matter in a fair and reasonable way and in line with the terms and conditions of her policy. From what I have seen and having looked at the dashcam footage as well as the photos and Mrs S's accident report form, I don't think UKI has acted unfairly or unreasonably in the circumstances. I think the reasons it gave for its liability stance are supported by the available evidence. I appreciate that Mrs S feels that the dashcam doesn't fully show the accident but anyone considering liability including UKI and the court will assess the incident based on the available evidence. And I think UKI's view that the dashcam footage and the photos show that Mrs S veered into the other lane as she was trying to overtake a parked car which led to the third party having to avoid her, to be a reasonable one. And, looking at the evidence, its assessment that had either party stopped to allow the other to proceed, the accident wouldn't have happened is also reasonable.

I can see that UKI wrote to Mrs S in March 2024 to say that it was holding the third party 100% responsible. But it asked Mrs S if she was prepared to accept a 50-50 split in settlement if the other party wasn't prepared to admit liability. So I think UKI had set Mrs S's expectations from the outset that this could be a 50-50 case even though it tried to get a full admission first. I think this is fair and reasonable.

UKI has accepted that it delayed sharing the dashcam footage with the other side and said that this was initially because it felt the footage would show that the accident was Mrs S's fault. It also accepted that it didn't keep Mrs S up to date and this is evident from its file

which shows that it was Mrs S who mainly called to get updates. I can also see that Mrs S made UKI aware of the fact that she was very anxious and worried that she hadn't heard from it. There was also a period between August and October 2024 where no real action was taken. UKI has paid Mrs S £300 compensation for its poor service and, in the circumstances, I think this is fair and reasonable and in line with awards we would make in similar circumstances.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 16 April 2025.

Anastasia Serdari
Ombudsman