

The complaint

Mr F complains about the service he received from U K Insurance Limited trading as Churchill ("UKI") after he made a claim under his motor insurance policy.

What happened

In early 2024, Mr F made a claim under his motor insurance policy with UKI after his car was damaged in an accident involving another driver. UKI arranged for Mr F's car to be repaired. It also passed his information on to its preferred law firm to deal with his claim for uninsured losses under his legal expenses policy.

About six months later, Mr F raised a complaint with UKI. He was unhappy to find that his motor insurance premium had increased significantly at renewal and his No Claims Discount (NCD) had been impacted by the accident. He was unhappy with UKI's failure to progress his claim and with the claim handlers based overseas who had problems understanding Mr F's concerns. He also complained that UKI hadn't passed evidence to the lawyers who were dealing with his legal expenses claim.

UKI said that the third-party insurer had disputed liability and there was no CCTV footage or any independent witnesses. So, its decision to offer to settle the claim on a 50/50 split liability was reasonable. As Mr F's NCD was not protected, the claim would have impacted this. This meant that Mr F's NCD had been reduced from nine years to three years.

UKI said its legal team hadn't requested any evidence from it and its non-UK based handlers were trained to deal with all aspects of claims.

UKI acknowledged there had been avoidable delays with the progression of Mr F's claim and paid him £200 to compensate him for this.

Mr F remained unhappy and asked our service to consider his concerns.

I issued a provisional decision on 28 February 2025 where I explained why I intended to uphold Mr F's complaint. In that decision I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Based on what I've seen so far, I intend to uphold Mr F's complaint. I'll explain why.

I've considered everything Mr F has told our service, but I'll be keeping my findings to what I believe to be the crux of his complaint. I wish to reassure Mr F I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

I thought it would be helpful to provide some clarity about the Financial Ombudsman Service's role and the scope of the complaint that I'm deciding. Our role is to resolve

disputes between complainants and financial businesses, to help both parties move on. It isn't our role to handle a claim or to deal with matters as they arise. In this decision, I've considered events Mr F has complained about up until UKI's final response letter of 9 September 2024.

Liability for incident

It's not my role, or the role of this service to decide who was responsible for the accident. What I've needed to decide is whether or not UKI has acted fairly and reasonably and in line with the policy's terms and conditions.

The policy's terms and conditions say:

"We're entitled to do either of the following:

- Take over and carry out the negotiation, defence or settlement of any claim in your name, or in the name of any other person covered by this policy.
- Start legal proceedings in your name, or in the name of any other person connected to this policy. This can be for your benefit or our own benefit."

Similar provisions are found in most motor insurance policies, so I don't find this unusual. It means UKI is entitled to decide whether to defend a claim or settle it.

When UKI responded to Mr F's complaint in September 2024, it said it had offered to settle the claim on a 50/50 split liability with the third-party insurer. This was because there was a dispute about who was responsible for the accident and there weren't any witness statements or CCTV footage to support either party's version of events.

Mr F says that when he contacted National Highways and asked for CCTV footage, they told him it was no longer available because it's only kept for seven days.

This is supported by the information on National Highways website which says:

"All requests for traffic camera/CCTV footage need to be made within 5 days of an incident occurring, as footage is only kept for 7 days on our systems."

According to UKI's notes, UKI emailed a local council around twelve days after Mr F made his claim. It contacted National Highways about a week later, after the council responded to UKI's email and advised it to do so.

As an insurer, I think UKI ought reasonably to have known that there was only a short timeframe to request CCTV footage for an incident that occurred on a motorway. I think it should have taken steps to request the footage straight away or at least informed Mr F of the timescale, so he could have done this himself.

Mr F strongly believes that the CCTV footage would have shown that the third-party driver was responsible for the accident. However, the National Highways website says that "cameras are installed to view the overall traffic conditions and not individual vehicles" and "there is limited likelihood of a camera pointing in the right direction at the right time." So, there was no certainty that there would have been CCTV footage to corroborate Mr F's version of events, even if it had been requested in time.

As neither party accepted responsibility for the incident and there was no evidence to show who was at fault, I think it was reasonable for UKI to offer to settle the claim on a 50/50 split liability basis. However, I think Mr F has missed out on the opportunity of potentially showing

that he wasn't responsible for the accident which might possibly have resulted in a different outcome to the claim. So, I've considered the impact of this in the overall amount I think UKI should pay him for distress and inconvenience.

No Claims Discount (NCD)

One of the concerns Mr F raised in his complaint to UKI was the reduction of his NCD when the policy renewed in August 2024. UKI says the NCD on Mr F's policy was correctly reduced from 9 years to 3 years because it wasn't protected.

Mr F has provided us with a copy of a letter from UKI which was emailed to him a couple of days after the incident. This includes the following wording:

"As a result of this claim the No Claims Discount on your policy will be affected at renewal. But if we find the other driver was to blame – and we recover all of our costs from them – your No Claims Discount will be reinstated when you renew."

There is a table in the policy's terms and conditions which sets out how an NCD might be affected by a claim if it isn't protected. I can see from Mr F's policy documents that his NCD was 9 years+ prior to the claim and this wasn't protected. The table shows that where the NCD was 5 years or more, it would be reduced to 3 years at renewal if there was 1 claim.

I appreciate Mr F feels his NCD shouldn't be reduced because he doesn't believe he was responsible for the accident. But UKI wasn't able to recover all of its costs from the third-party insurer. It's possible UKI would have been able to recover its costs if it had requested the CCTV footage in time. But, keeping in mind that there was only a limited chance that the CCTV would have captured the incident, I'm not persuaded, on balance, that this was likely. So, I'm satisfied the NCD reduction was applied fairly in line with the policy's terms and conditions.

Distress and inconvenience

UKI has acknowledged some avoidable delays in progressing Mr F's claim. Based on the information available to me, it doesn't look like UKI did much to progress the case from March until Mr F raised his complaint in August 2024.

Mr F says UKI didn't pass information on to the law firm who were dealing with his legal expenses claim. UKI says the law firm didn't ask it for evidence. I can see that Mr F phoned UKI in late July and advised that the law firm was waiting for documents from it. UKI has noted that the documents they asked for didn't appear to be on UKI's file. So, there seems to have been some miscommunication between UKI and the law firm who was dealing with Mr F's legal expenses claim.

I've explained why I think UKI is responsible for Mr F missing the opportunity of potentially gaining CCTV footage that might have shown he wasn't at fault for the accident. While I'm unable to conclude that Mr F has lost out financially because of UKI's mistake, I do think he should be compensated for the frustration and upset this caused him.

UKI has already paid Mr F £200 for a delay in progressing his claim. But I think a total of £750 would more reasonably recognise the impact of UKI's poor service on him. So, I think UKI should pay Mr F an additional £550."

I set out what I intended to direct UKI to do to put things right. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses

Mr F didn't respond to my provisional decision. UKI said it accepted it my 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.

As neither party has provided anything further for me to consider, I see no reason to change the conclusions I reached in my provisional decision.

Putting things right

UKI should pay Mr F £550 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mr F's complaint and direct U K Insurance Limited to put things right by doing as I've said above.

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

Anne Muscroft
Ombudsman