

## **The complaint**

Mr M complains that U K Insurance Limited (“UKI”) mishandled a claim on his motor insurance policy.

## **What happened**

The subject matter of the insurance was a car, first registered in about 2013.

Mr M acquired the car in about 2022.

For the year from mid-February 2023, Mr M had the car insured on a policy with UKI. The cost for the year was about £300.00. The policy documents said that Mr M had nine or more years no-claims discount (“NCD”) which was “protected”.

Mr M reported to UKI that in June 2023, there had been an incident with a motorcyclist.

The motorcyclist made a claim against Mr M including for personal injury.

In mid-January 2024, UKI quoted Mr M a renewal cost of over £600.00 for the year from mid-February 2024.

By a letter dated 22 January 2025, UKI told Mr M it had settled the motorcyclist’s claim and recorded a fault claim against Mr M.

Mr M complained to UKI that it had treated him unfairly and increased the cost of his insurance. He said that police had charged him with a criminal offence, but a court had found him not guilty.

By a final response dated 3 February 2025, UKI turned down the complaint.

Mr M brought his complaint to us in mid-March 2025.

Our investigator didn’t recommend (in early June 2025) that the complaint should be upheld. He thought that UKI had treated Mr M fairly and reasonably in the circumstances.

Mr M provided further information, namely a video and photographs.

Our investigator still didn’t recommend (in mid-June 2025) that the complaint should be upheld. He still thought that, based on the evidence, UKI had made a fair and reasonable judgment.

Mr M disagreed with the investigator’s opinion. He asked for an ombudsman to review the complaint.

## **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.

UKI's policy terms included the following:

*"When we can act on your behalf*

*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."*

The effect of that term was that – on a question of how best to deal with a claim involving a third party – UKI's view would prevail over its policyholder's view. That's not unusual in motor insurance.

I will consider whether UKI treated Mr M fairly. Unlike a court, we don't hear evidence from each road-user and decide the extent to which either of them is responsible for causing injury or damage.

I'm satisfied that UKI took into account Mr M's report of the incident.

However, UKI received a claim from the motorcyclist, and it had to decide how to deal with it.

UKI consulted maps of the scene. It concluded that there were indistinct give-way lines between the piece of road Mr M had been on and the piece of road he had joined.

UKI also reviewed video footage of the incident.

I'm satisfied that UKI considered all the available evidence.

From the map and the footage, UKI concluded that Mr M should've indicated to turn right and given way to the motorcyclist rather than continuing across their path.

I'm satisfied that UKI tried to act in M's interests by offering to split liability 50/50 between him and the motorcyclist. At the same time, UKI tried to manage Mr M's expectations, saying that it might have to accept full liability.

In the end, UKI decided that, rather than incur the cost and risk of defending court proceedings, it would settle the motorcyclist's claim.

As UKI had considered all the evidence including the map and the footage, I don't find its decision unreasonable or unfair.

I've noted that Mr M said that a court found him not guilty. However, that would've been on the criminal standard of proof of "beyond reasonable doubt". So I don't consider that an acquittal would show that UKI treated Mr M unfairly by holding him responsible for the incident.

Different insurers assess risk and set premiums in different ways at different times. That said, most insurers treat any claim (and more so a fault claim) as increasing the risk of future claims.

The Financial Ombudsman Service can't tell an insurer what premiums to set. We will look to make sure that an insurer has a general approach that it has applied consistently to each consumer.

The rules by which we are governed allow us to receive information in confidence from consumers and regulated firms. UKI has sent us evidence, in confidence, of its underwriting guidelines and a breakdown of the renewal premium it quoted Mr M.

From that, I'm satisfied that UKI calculated the premium correctly and in the same way that it would've done for any policyholder in the same situation as Mr M. As I would expect, the fault claim was a factor.

Also Mr M, of course, had an option to shop around before deciding whether to accept that quote.

So I don't consider that the renewal quote treated Mr M unfairly.

Overall, I haven't found that UKI treated Mr M unfairly. So I don't find it fair and reasonable to direct UKI to do any more in response to this complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct U K Insurance Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 October 2025.

Christopher Gilbert  
**Ombudsman**