

The complaint

Miss O complains U K Insurance Limited trading as Churchill (UKI) unfairly assessed her claim on her motor insurance policy as a fault and incorrectly told her she would lose her protected no claims discount (PNCD). She further complains she wasn't given support under her motor legal cover.

UKI are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As UKI have accepted it is accountable for the actions of the intermediary, in my decision, any reference to UKI includes the actions of the intermediary.

What happened

Miss O made a claim on her motor insurance policy when she was hit by a third-party vehicle whilst performing a three-point turn. The third-party didn't stop at the scene.

UKI recorded Miss O at fault for the incident. Miss O doesn't think liability has been settled correctly because this was a hit and run incident and wasn't her fault.

Miss O tried to access the motor legal cover that was part of her policy but she was unable to use it because the incident had been recorded as her fault.

Because Miss O was not happy with UKI, she brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said UKI had some shortcomings but they didn't adversely affect Miss O. They said UKI had completed a full investigation relying on relevant evidence.

As Miss O is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

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What I have 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.

It's important I make it clear that it's not my role to decide who's at fault for the accident, as ultimately that's a matter for the courts. Our role is to consider whether the insurer handled the claim in a fair and reasonable manner.

Liability

I looked at the terms and conditions of Miss O's policy it says;

"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."*

This confirms, like all motor policies, Miss O's policy allows UKI to settle claims as it sees fit. That means it doesn't require Miss O's consent to decide how to settle a claim and it may make a decision that she doesn't agree with. But I'll look to see that it's done so reasonably.

In this case based on the information provided to UKI by Miss O that she was completing a three point turn when the incident happened, it recorded the claim as fault. I saw video footage which shows Miss O's car starting the three-point turn manoeuvre and moving across into the middle of the road. There is then movement from an impact. It doesn't clearly show the approach from the third-party car or actual collision. I saw UKI considered the circumstances of the collision. It said because the footage doesn't show the third-party car approach, speed can't be proven. However it said the impact happened within two to three seconds of her car stopping in the road and it was likely the third-party was visible before she started her manoeuvre. It placed weight on the rules of the road that the third-party had the full right of way at the time of the incident, to make its decision to accept fault.

I saw UKI managed to contact the third-party, and offered its services. The third-party initially wanted to make a claim, however the following day they advised they wanted to cancel the claim because they didn't want it to affect the cost of their own future policy premiums.

Based on the evidence available, I am persuaded UKI made reasonable investigations into the circumstances of the incident and its decision to accept liability was fair in this case.

Motor Legal cover

This is defined in the policy as;

"Motor Legal Cover

We'll cover your Costs if you need to take legal action or defend yourself in court. We will only provide this cover if your claim has a reasonable chance of succeeding for the duration of the claim."

I saw Miss O's policy did include motor legal cover, however because the incident was deemed to be Miss O's fault, this means this cover isn't due to be provided. I therefore cannot tell UKI to provide it.

It isn't clear why the third-party decided to leave the scene after the incident, and I acknowledge Miss O thinks their failure to stop placed her in an unjust position, in which she has been penalised. However this is a matter for the police, not for UKI. I am pleased to see Miss O confirmed the police have advised they are looking into this.

Protected no claims discount

I saw UKI told Miss O that her no claims discount wasn't protected. Although PNCD wasn't included in her policy renewal documentation, UKI accepted its agent had told her she did have PNCD, and she hadn't asked for it to be removed. Due to its mistake UKI added it on from the start of the policy year at no extra cost and sent her updated documentation to confirm this. UKI has confirmed her no claims discount will not be reduced because of this claim as the protection should've been on the policy from the renewal date. Because this was corrected it didn't negatively affect Miss O.

UKI paid Miss O £50 for its administrative mistake of which I think is a fair outcome.

I recognise the third-party leaving the scene of the incident without stopping will have been very stressful for Miss O, and I'm very sorry she was left in this situation, but even if the third-party had stopped at the scene or indeed hadn't been contactable, UKI's decision to record the incident as a fault claim wouldn't have changed.

Therefore, I don't uphold Miss O's complaint and don't require UKI to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 12 November 2025.

Sally-Ann Harding
Ombudsman