

The complaint

Mr S complains Wakam unreasonably settled his motor insurance claim as 50/50 split liability.

Wakam's been represented for the claim and complaint at points. For simplicity I've referred to the representatives' actions as being Wakam's own.

What happened

In May 2024 Mr S, when driving his car, was involved in a collision with another vehicle. The Mr S has said the 'other vehicle' was a courtesy or hire car, rather than one privately owned by the driver involved in the collision. I refer to the driver of the other vehicle as the 'other driver'.

Mr S notified his motor insurer, Wakam, of the incident but didn't claim for any damage to his own vehicle. Mr S considered the other driver to be responsible for the collision.

The owner of the other vehicle claimed against Mr S's policy for damage to its own vehicle. I refer to the owner as the third-party (TP). The TP considered Mr S to have been at fault. Wakam responded to the claim without notifying Mr S that it had been made.

In February 2025 Mr S questioned an increase in his insurance premium. He was told Wakam had, due to a lack of evidence to support either party's account, settled the claim from the TP as 50/50 split liability – so both parties were held equally at fault for, and paying an equal share of, the claim cost.

Mr S complained about the claim outcome. He said he wasn't responsible for the collision. He felt, not being notified of the claim, he hadn't been given a fair opportunity to defend himself, including to provide CCTV evidence. He was unhappy that the settlement decision had resulted in a loss of his No Claims Discount (NCD) - and consequently an increase in the cost of his insurance.

Wakam responded in March 2025. It explained Mr S's policy terms allow it to decide how to settle claims. It said the TP had disputed liability and due to a lack of independent evidence it considered the 50/50 liability as the best outcome possible. Wakam apologised for not keeping Mr S informed of the claim and its progress. However, it didn't accept that had affected the outcome. It offered him £175 compensation to recognise any distress or inconvenience involved. This was later increased to £275.

Unsatisfied with Wakam's response, Mr S referred his complaint to the Financial Ombudsman Service. He said Wakam had settled without his consent or provision of an opportunity for him to respond. To resolve his complaint, he would like his NCD reinstated or a payment of £1,500 to cover financial loss and distress.

Our Investigator felt Wakam had acted fairly and in line with the terms of Mr S's policy. He accepted Wakam's communication with Mr S should have been better. But he felt it had already offered sufficient compensation. So the Investigator didn't recommend Wakam

reinstate the NCD or pay additional compensation. As Mr S didn't accept that outcome the complaint was passed to me.

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 this is an informal service I'm not going to respond here to every point or piece of evidence Mr S and Wakam have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

This service doesn't decide who's at fault for an incident. That's the role of the courts. Instead, we look at whether the insurer acted in line with the policy terms and made a fair and reasonable decision. Mr S's policy terms provide Wakam with discretion in the conduct of any proceedings or in the settlement of any claim. That means it might make a decision he disagrees with, but the policy allows it to do so. I can, though, consider if its decision to do so was reasonable.

Having done so, I'm satisfied Wakam's decision to settle at 50/50 split liability was reasonable, although it should have done more to inform Mr S of the claim and its progress.

Both drivers considered the other to be at fault. There was, as Wakam has highlighted, no independent witness or CCTV evidence of the incident - only the parties' opposing accounts. I accept without such evidence it could be difficult for Wakam to demonstrate to a court that the other driver was fully at fault.

I've considered Mr S's concern about Wakam not providing him with an opportunity to defend himself. He provided his account of the collision when first notifying Wakam of the incident. This account seems to have formed the basis of Wakam's initial position, in the discussion with the TP, that the other driver was at fault. The TP didn't accept that, providing its own opposing account.

I accept had Wakam told Mr S about the claim he would have a further opportunity to provide his description of the collision. But it seems unlikely that would have been significantly different or more persuasive than his original one. So I can't say it would likely have made a difference to the strength of Wakam's defence, the TP's response and ultimately the claim outcome.

I'm not persuaded Wakam acted unreasonably by not pursuing possible CCTV footage. Wakam's file notes show Mr S was asked to provide images of the collision scene. I appreciate that was before he was told of the claim against his policy. However, he would have been aware that there was a possibility of one - as he was likely aware the other vehicle had been damaged. So if he had considered CCTV footage to be available, he could have, at that point, informed Wakam.

In addition, I've seen various photos of the scene Mr S sent to Wakam. If these had shown a camera that would likely capture the incident I might expect Wakam to seek out any footage. However, they don't appear to show this.

According to Mr S the other driver wasn't insured to drive the other vehicle. Wakam considered his point, concluding it didn't have an impact on the liability outcome for the claim from the vehicle's owner. Mr S hasn't provided a persuasive explanation as to why it should

make a difference. So I can't say, based on this point, Wakam's decision to settle as it did was unreasonable.

Mr S raised concern at Wakam closing the claim within a day or two of him becoming aware of it. I appreciate why this may have caused him to feel Wakam hadn't investigated the claim properly.

However, Wakam's records show it had been in negotiation and discussion with the TP for several months. That included an initial denial from Wakam of Mr S being at fault. The 50/50 liability was agreed by Wakam and the TP in early January 2025. The claim was eventually closed after Wakam was provided with claim cost evidence in late January 2025. That appears to have been the trigger for it paying the costs and closing the claim in early February 2025 – a day or so after Mr S learnt of it.

So the claim had been progressing and reaching a conclusion in the preceding months. It wasn't suddenly settled with little thought or examination as it may have appeared to Mr S.

Wakam accepts it failed to communicate with Mr S appropriately during the claim. I appreciate the discovery of an open and promptly settled claim would have caused some short term distress for Mr S. However, I'm satisfied Wakam's already offered enough compensation to make up for the impact of that.

My final decision

For the reasons given above, I'm not going to require Wakam to reinstate Mr S's NCD or pay additional compensation – but it must, if it hasn't already, pay him the £275 compensation offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 October 2025.

Daniel Martin
Ombudsman