

The complaint

Mr T complains about U K Insurance Limited trading as Churchill (Churchill) not properly investigating an accident he had when he hit a bollard at the entrance to a dealership he was taking his vehicle to have an MOT test. Mr T maintains the bollard was raised (when it should have been lowered to facilitate safe entry to the garage as it was open at the time) and not clearly visible from his vehicle, with an employee walking down the road towards the entrance, who he was anxious to avoid. Mr T believed the employee was walking to lower the bollards to facilitate clear entry to the dealership. Mr T is also unhappy Churchill didn't provide legal services or representation under his policy to pursue the case.

References to Churchill in this decision include their agents.

This decision covers Mr T's complaint to this Service about Churchill, as the insurers of his motor insurance policy. It doesn't cover the dealership to which he was taking his vehicle when the collision occurred, and whose premises the bollards were located. Reference to the dealership (and their insurers) is made to aid understanding of what happened and their role in the sequence of events.

What happened

In April 2024 Mr T had booked his vehicle into a dealership for an MOT test. His appointment was for 8.00am but when turning into the dealership at just after 8.00am he collided with a bollard at the entrance that hadn't been lowered (the entrance was off a clip road and had a row of retractable bollards that secured the entrance out of working hours). Mr T said he moved left to avoid an employee walking down the middle of the road approaching the entrance (to lower the bollards).

Mr T said he was unable to see the bollards due to their positioning and presence of shrubbery, as well as a lack of clear warning signage. And bollards were in the blind spot of Mr T's vehicle as he turned into the dealership. Mr T said a dealership employee lowered the bollards after the collision, which he thought indicated the area wasn't properly prepared for customers to enter the premises.

Mr T contacted Churchill to tell them about the incident, saying it wasn't his fault given the circumstances. He wanted Churchill to investigate and pursue the matter with the dealership, as he believed they were at fault, and for liability for the incident to be treated as non-fault. However, Churchill considered Mr T to be at fault as he had hit the bollard, which he hadn't seen. Churchill arranged for repairs to Mr T's vehicle and to send allegations about liability for the incident to the third-party insurer (of the dealership) and request CCTV footage. After Churchill chased the third-party insurer, they denied liability for the incident.

On reviewing the CCTV footage, Churchill concluded Mr T had been negligent in not noticing the [raised] bollards and could have avoided them had he turned into the dealership with greater care. Based on their assessment, Churchill concluded Mr T would be liable for the incident, emailing him with their decision.

Mr T challenged Churchill's decision, based on the factors he had previously presented to them. He wanted Churchill to pursue the matter further with the third party and their insurer.

However, Churchill concluded (after a further review of the case and the evidence) that they could not pursue the third party legally as the case against them wasn't strong enough. If he wanted to pursue the matter, Mr T would have to appoint his own legal representative. They wouldn't involve their own legal team as the prospects of recovery were too low.

Unhappy at their decision, Mr T complained to Churchill.

Churchill considered Mr T's complaint and wrote to Mr T in January 2025 to say they had already advised they couldn't pursue the incident legally for an admission of liability from the dealership (or their insurers) as they had decided they would not litigate the case. Three independent members of staff had reviewed the available footage, and all concluded Mr T should have heeded stationary objects (the bollards) obstructing his path.

While the bollards were meant to be lowered at 8am and Mr T entered shortly afterwards, there was still room to manoeuvre his vehicle into the dealership without colliding with the bollards. The bollards weren't actively moving at the time of the incident and so it was Mr T's responsibility to be mindful of stationary objects in his path. Admiral reiterated they considered they didn't have sufficient prospects of winning the case in court.

Churchill already having given Mr T rights to raise the matter with this Service, Mr T then complained to this Service (April 2025). He said the circumstances of the incident meant it wasn't his fault (providing images of the entrance and bollards) and Churchill hadn't properly investigated what happened. Nor had they provided legal representation or support to pursue the matter under the optional Motor Legal Cover he'd taken out as part of his policy. He wanted compensation for the financial losses he'd incurred and potential future premium increases arising from making a [fault] claim. He also wanted recognition of the third-party negligence (the dealership) and its contribution to the collision and for Churchill to remove the claim from his insurance record as a fault claim.

Our investigator didn't uphold the complaint, concluding Churchill didn't need to take any action. He noted Churchill had the right under the policy to pay reasonable legal costs to defence a claim or represent Mr T, or to settle a claim as they saw fit. Churchill had reviewed the evidence available about the incident, including CCTV footage of the incident as it happened. So, the investigator concluded Churchill had investigated the incident in a fair and reasonable way. And to have pursued the option of the Motor Legal Cover section of the policy would require a greater than 50% chance of success (which Churchill didn't consider to be the case of the incident).

Mr T disagreed with the investigator's revised view and requested that an Ombudsman review the complaint. He reiterated the points he'd made previously about the visibility of the bollards being obscured (and any signage) and lack of warning signs. The dealership was open at the time of the incident, so raised bollards created a hazardous situation (one he hadn't encountered on previous visits to the dealership, meaning he had an expectation the way would be clear). He's also moved left to avoid an employee, reducing his available space. The point of impact in the collision was also on the passenger side of his vehicle, in a blind spot so he had a limited field of view.

He also thought Churchill should have formally assessed his eligibility for Motor Legal Cover as he thought the case may well have met the policy threshold of a greater than 50% chance of success. He thought there should have been a formal, legally-qualified assessment to conclude on the prospects for success.

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.

My role here is to decide whether Churchill have acted fairly towards Mr T.

There are two main issues in Mr T's complaint for me to consider. First, Churchill's decision to deem the claim to be a fault claim on the part of Mr T. He maintains the circumstances of the incident show that it was the fault of the dealership, on the grounds I've set out above. Churchill say they wouldn't have been able to pursue liability from the third party insurer in the circumstances of the incident, as Mr T hit a stationary object (the bollard) and should have been able to manoeuvre around it while avoiding the employee).

The second issue is whether Churchill should have provided representation under the Motor Legal Cover of the policy to Mr T to pursue a case against the third party (their insurers). Mr T says there should have been a more formal assessment of the prospects of success, by legally qualified staff. Churchill say they wouldn't formally consider representation if they considered the prospects of success were less than 50%.

On the first issue, the question of liability for the accident, I recognise Mr T feels strongly the accident wasn't his fault, for the reasons he's set out. However, it isn't the role of this Service to determine liability for an accident, but to conclude whether an insurer has acted fairly and reasonably in reaching a decision on liability.

The terms of Mr T's policy with Churchill, as they do in motor insurance policies generally, provide for Churchill to assess claims and determine liability. The relevant wording is set out in the *How the policy works* section of the policy, under a sub-heading *When we can act on your behalf*, is as follows:

"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 persons connected to this policy. This can be for your benefit or our own benefit."*

Looking at the sequence of events set out above, I can see Churchill assessed the evidence and information about the incident and the circumstances in which it occurred. This includes the CCTV footage of the incident as it happened, as it happened. It also includes the representations, evidence and information provided by Mr T. So, I think they did consider the evidence and information available, including Mr T's version of what happened and why he felt the dealership was at fault (and he wasn't). I've also noted what Churchill have said about three members of staff reviewing the available footage, and all concluded Mr T should have heeded stationary objects (the bollards) obstructing his path.

I've also note what they've said about the bollards being meant to be lowered at 8am and that Mr T entered shortly afterwards. They also concluded there was still room to manoeuvre his vehicle into the dealership without colliding with the bollards and it was Mr T's responsibility to be mindful of stationary objects in his path.

Whilst recognising how strongly Mr T feels about the circumstances of the incident, I can't conclude Admiral didn't consider the evidence available when reaching their decision. I've also noted they followed up specific aspects with the third-party insurer, who denied liability.

So, I've concluded Admiral acted fairly and reasonable in concluding they couldn't successfully pursue the issue of liability and that they didn't have sufficient prospects of winning the case in court. In those circumstances, they wouldn't be able to recover their

outlay on the claim from the third party (their insurer) and as such the claim would have to be recorded as a fault claim against Mr T.

Having concluded Churchill acted fairly and reasonably when determining the claim to be a fault claim, then I can't hold them responsible for any subsequent impacts, on Mr T's No Claims Discount or future premiums. So, I can't ask Churchill to compensate Mr T for any such increases.

Turning to the second issue, Churchill's decision not to provide legal representation or support to Mr T to pursue a case against the third party, Churchill say they wouldn't provide this under the Motor Legal Cover section of the policy where the prospects of success are less than 50%.

Looking at the relevant section of the policy, I've noted the section introduction states:

"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."

The section goes on to define 'reasonable chance of succeeding' as where there is a 50% chance that the policyholder will get a favourable judgement.

Churchill did assess the prospects of success and concluded they were low, which indicated the 50% threshold for success hadn't been met. So, they complied with the policy terms and definition. Mr T says this should have been made by a suitably-qualified legal person, but given the conclusions they reached on liability – which indicated they would not be able to recover any costs of the claim, or even a 50/50 split of liability - and the prospects of success, then I think it was reasonable for them to reach the conclusion they weren't going to pursue a legal case against the third party.

Taking all these points into account, I don't think Churchill acted unfairly or unreasonably in the circumstances of this case, so I won't be asking them to do anything further.

My final decision

For the reasons set out above, it's my final decision not to uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 19 November 2025.

Paul King
Ombudsman