

The complaint

Mr C complains about the way First Central Underwriting Limited trading as 1st Central Underwriting ("First Central") decided liability for a claim on his car insurance policy.

What happened

Mr C had a car insurance policy with First Central.

In early November 2024, Mr C was involved in a collision on a roundabout with a third-party vehicle causing damage. About two weeks later, the third party's insurer made contact with First Central and told it about the collision and damage. First Central contacted Mr C. He said he didn't want to make a claim for his own damage. First Central asked him to provide details of the collision and a sketch but Mr C didn't provide this.

Its initial response to him was that Mr C might not be liable for the collision, but it investigated further and determined that Mr C was likely changing lanes and he thought the third party was stationary.

First Central reassessed the claim and thought Mr C was likely at fault for it. It settled the third party's claim for damages and recorded the fault as Mr C's. This took until about June 2025.

Mr C later decided that he wanted to claim for his own damage. First Central assessed his car to be beyond economical repair and it would be written off. Mr C retained the salvage and was paid £1,579.

Mr C wasn't happy and brought his complaint to this service. He wasn't happy about First Central's decision on liability for the collision. He also complained about First Central writing off his car.

Our investigator looked into his complaint and thought it wouldn't be upheld. He thought that First Central acted fairly in how it determined liability for the collision. He noted that Mr C had retained his car and he thought it was fair that First Central had offered him the chance to buy the salvage.

Mr C didn't agree with the view. Because he didn't agree, his complaint has been passed to me to make a 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.

It's important I start by saying that it's not the role of this service to determine which party might be at fault for a particular collision. What we're able to do is look at whether First Central acted fairly and reasonably in how it investigated Mr C's claim, and how it decided liability under the policy terms.

Having reviewed the file of evidence, I can see that First Central wasn't told about the collision and damage by Mr C. Instead, it was contacted by the third party insurer as the third party wanted to claim for the damage that had been caused to their vehicle.

To investigate the claim, First Central asked Mr C to provide further details and a sketch. From the file, I can see that First Central was still asking him for this in May 2025, some six months later.

Mr C is adamant that he wasn't at fault for the collision. It's important I say that 'fault' has a particular meaning in insurance. For a claim to be recorded as 'fault' on Mr C's records, what it means is that First Central was not able to entirely recover its costs from a third party. Having listened to the calls, I can appreciate Mr C says he cannot accept he wasn't at fault for the collision, but I think it's fair I say that he's thinking about responsibility for the collision 'on the road' rather than from a policy liability point of view.

I appreciate this distinction is subtle, but as I say above for the claim to be recorded by First Central as 'non-fault', First Central would have to recover all of its costs from the third party.

In its investigation of the accident, which was apparently done in an interview with Mr C, I can see the investigator struggled to get Mr C to explain the circumstances clearly, but they were able to ascertain that the third party was stationary in that interview with him.

What this means is Mr C likely collided with a stationary vehicle, and so First Central thinks it's very unlikely to be able to say Mr C was at no fault for the collision.

I've listened to a call to this service where Mr C says he's not sure if the third-party vehicle was moving or not. But his inability to say definitively whether it was or wasn't moving lies at the centre of the problem here.

From the information I have, there's no further independent evidence, such as dashcam or CCTV, that might clarify the situation.

In his approach to this service, Mr C has said that he thought only his car had been damaged in the collision. Thinking about this, because he's said he collided with a stationary vehicle, it's unlikely that First Central would be able to recover its costs entirely from the third party. In other words, Mr C would likely have to accept some responsibility for the collision and subsequent claim. In turn, this means I think that First Central's recording of the 'fault' status of the claim is fair.

I've not been provided with a copy of the policy wording but having looked at First Central's typical wording I can see it includes this section in the General Conditions:

"Your insurer is entitled to:

- *defend or settle any claim on your behalf;*
- *take legal action over any claim in your name or the name of any person insured on the policy for their own benefit;*
- *admit negligence for any accident or claim on your behalf"*

This wording is common in the marketplace and I think its use is fair. This wording allows First Central to accept responsibility for the collision on behalf of Mr C, whether he agrees or not.

When Mr C approached this service, he also complained about First Central taking the decision to write off his car. I've looked at First Central's report about the cost to repair his car, and I can see that the amount was higher than the value it set for it. So, I think its decision was fair.

I can also see that First Central agreed with Mr C that he could retain his car (which is generally referred to as salvage) and it seems to me that decision is fair.

What this means is that I'm not upholding Mr C's complaint as I think First Central acted fairly and reasonably and in line with the policy terms in how it dealt with Mr C's claim.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 December 2025.

Richard Sowden
Ombudsman