

The complaint

Miss K complains U K Insurance Limited unfairly settled a motor insurance claim as her being at fault.

What happened

In May 2025 Miss K, whilst driving her car, was involved in a collision with a third-party's (TP) vehicle. Both cars were damaged. The TP, considering Miss K, to be at fault claimed against her for the damage to their own vehicle. UKI settled the TP's claim, accepting Miss K to be at fault.

Unhappy with UKI's decision, Miss K raised a complaint. Not accepting she was at fault, she asked that the outcome be amended. She said her passenger's account of the collision should be considered. She also complained UKI's poor service had resulted in CCTV footage of the incident not being obtained.

UKI responded in July 2025. It said it's entitled, under the terms of her policy, to settle any claim in her name. It found its decision to settle the TP's claim to be reasonable. It accepted it had provided misleading information about the process for obtaining CCTV footage, offering £100 compensation in recognition. However, UKI concluded, due to the nature of the collision, any footage wouldn't have made a difference to the claim's liability outcome.

Unsatisfied with UKI's response Miss K referred her complaint to the Financial Ombudsman Service. She considers the fault settlement to be unfair. She said UKI had provided misleading and confusing information during the claim. To resolve her complaint, she would like the fault record withdrawn and both parties to be responsible for repairing their own cars.

Our Investigator found UKI's decision to accept Miss K as at fault to be reasonable. He said UKI had failed to obtain CCTV footage, but felt it unlikely any available would have changed the outcome of the claim. The Investigator recommended UKI pay a total of £300, to make up for the unnecessary distress it's poor service, including providing misleading information, had caused. UKI accepted that outcome. Miss K didn't, so the complaint was passed to me to decide.

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 Miss K and UKI 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.

Having done so, I'm satisfied UKI's decision to settle with Miss K at fault was reasonable. So I'm not going to require it to amend the claim outcome or to do anything along those lines.

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. Miss K's policy terms give UKI the right to take over and carry out the negotiation, defence or settlement of any claim in her name. That means it might make a decision she 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 UKI's decision to settle with Miss K at fault was reasonable and made in line with the terms of the policy. So I'm not going to require it to amend the claim outcome or to do anything along those lines.

UKI explained it accepted Miss K to be at fault, based on her own account. She was leaving a side road, intending to turn right onto the far lane on a main road. She explained she had crept on to the main road, waiting stationary across the near lane. Whilst she was waiting to be let on to the far lane, the TP collided with her whilst manoeuvring around her on the near lane. The TP's own account, which is slightly different, is that they were proceeding correctly down the near lane when Miss K pulled into them from the side road.

Based on Miss K's account UKI considers she caused a hazard, failing to comply with a Highway Code requirement – that she must give way to traffic on the main road when emerging from a junction with broken white lines. UKI also considered the collision damage to support the TP's account. UKI didn't feel Miss K's witness, a relative travelling in her car, would be able to persuade a court she wasn't at fault.

Having considered the accounts, photos of the damage and the Highway Code, I can't say UKI made an unreasonable decision. The Highway Code does state that she must give way to traffic on the main road, but by her own account she was stationary in the near lane of main road whilst waiting to be let into the far lane.

Miss K has said UKI should have obtained CCTV footage. UKI accepts it provided misleading information about the process for obtaining it. By the time it followed the correct process, it was too late. However, it doesn't accept any footage would have shown anything it doesn't know already.

I can't say UKI's position on this is unreasonable. It has said by Miss K's own account she caused a hazard, failing to comply with the Highway Code. So even UKI's conclusion that footage wouldn't have been likely to demonstrate the TP to be at fault is fair.

UKI accepted it provided some unclear information during the claim. It accepted £300 compensation, in total, as a fair amount to make up the impact of that on Miss K. I note her frustration with the service she received. However, I'm satisfied £300 is a fair amount to recognise the limited amount of avoidable inconvenience and frustration UKI's responsible for.

My final decision

For the reasons given above, U K Insurance Limited must pay Miss K £300 compensation – that total includes the £100 offered in its July 2025 complaint response.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 30 December 2025.

Daniel Martin
Ombudsman

