

The complaint

Mr M complains about the liability outcome decision by U K Insurance Limited after a claim on his car insurance policy.

What happened

Mr M's car was involved in a road traffic accident in January 2025. He raised a claim with UKI. Initially UKI told Mr M that the claim would be settled as "non-fault". However, he was later told this had changed and would be settled as a "fault" claim. Unhappy, Mr M raised a complaint. UKI upheld the complaint. Whilst they didn't think they'd come to an unfair decision in relation to the claim liability outcome, they did think the service they'd provided could have been better. UKI offered Mr M £150 compensation for the trouble and upset caused. Mr M was still unhappy so brought the complaint to this service.

Our investigator didn't uphold the complaint. He thought the compensation was adequate for the service failings but didn't think UKI had done anything else wrong. Mr M appealed. Mr M said it was wrong UKI changed their liability outcome. He said as he'd been verbally told the outcome, it should be legally binding. Mr M also asked if we'd sent the footage to the third party's insurer. As no agreement could be reached, the complaint has been passed to me to make a final 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.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether UKI acted in line with these requirements with how they handled Mr M's claim.

Having done so, and whilst I appreciate it'll come as a disappointment to Mr M, I've reached the same outcome as our investigator.

At the outset I acknowledge that I've summarised his complaint in far less detail than Mr M has, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

As a starting point, I think it's important to set out that this service can't decide who is responsible for an accident. This is the role of the courts. Our role is to consider whether the insurer handled the claim in a fair and reasonable manner and in line with the terms and conditions of the policy.

The policy terms and conditions set out the following:

“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.”

Whilst UKI is entitled to deal with the claim on Mr M’s behalf, I’d still expect them to do so in a fair and reasonable way. Insurers are entitled to make a commercial decision about whether it’s reasonable to contest a third-party claim or better to compromise. We’d expect an insurer to reasonably investigate a claim and consider the evidence available before making its decision on liability.

Mr M had both a front and rear dash camera in his car so they can see exactly what happened. UKI have considered the video footage alongside the Highway Code and Case Law in coming to their liability outcome decision. Whilst I appreciate Mr M strongly disagrees with the decision outcome based on what I’ve seen, I’m not able to say UKI haven’t assessed his claim fairly or reasonably.

It’s been accepted there were service failings, especially with giving Mr M contradicting liability decision outcomes. However, this was an error and wouldn’t make it legally binding. UKI has offered Mr M £150 compensation for the distress and inconvenience caused. I think the compensation offered is fair and reasonable in the circumstances.

I’m very sorry that my decision doesn’t bring Mr M more welcome news but in all the circumstances I don’t find that UKI has treated him unfairly, unreasonably, or contrary to the policy terms and conditions in how they’ve come to the liability decision outcome.

Mr M has asked if we’ve sent the video footage to the third party’s insurer. We’re not claim handlers, our role is to assess complaints. So, this would be outside of our remit.

My final decision

For the reasons I’ve given above, my final decision is that I don’t uphold this complaint. I don’t require U K Insurance Limited to do anything further.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 4 February 2026.

Anthony Mullins
Ombudsman