

The complaint

Miss J complains about the way U K Insurance Limited (UKI) handled the claim she made under her motor insurance policy.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events.

In March 2022 Miss J was involved in an accident involving another vehicle and so reported a claim under her motor insurance policy with UKI. Miss J's vehicle was repaired and UKI was attempting to recover its outlay from the third-party insurer.

Miss J raised a complaint as she was unhappy with the way her claim was being handled. On 9 August 2023 UKI issued Miss J with a final response to her complaint. It said liability was in dispute with the third-party insurer and negotiations were currently ongoing. It said it had attempted to contact the witness on several occasions without success. However, it acknowledged there had been unreasonable delays and it hadn't kept Miss J appropriately updated and so it paid her £350 compensation. This Service were unable to consider this complaint as it was brought too late. This current complaint is in relation to the events which occurred following this.

In October 2023 UKI passed the claim to a solicitor, who I'll call S1, to recover it's outlay. In December 2024 Miss J raised a complaint with UKI. She said she had been told by S1 it would be unable to pursue her claim as it was unable to locate the other driver. She was unhappy UKI didn't check the third-party details to ensure they were correct. She was also unhappy with the lack of communication on her claim and that UKI hadn't chased the witness.

UKI discussed Miss J's complaint with her. It said it had communicated with Miss J since her last complaint until the claim was passed to S1 and it had passed her complaint to S1 about the service she had received. It said it had attempted to contact the witness on several occasions and it had taken the third party's name as Miss J had provided. It issued Miss J with a summary resolution communication. Miss J didn't think this was reasonable and so referred her complaint to this Service. Our investigator looked into things but didn't uphold Miss J's complaint.

Miss J didn't agree with our investigator. She said UKI could have done more to obtain dash camera footage of the accident and find the third-party driver.

I issued a provisional decision about this complaint and I said:

'I want to acknowledge I've summarised Miss J's complaint in less detail than she's presented it. I've not commented on every point she has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Miss J and UKI I've read and considered everything that's been provided.'

I also want to be clear about what I've considered as part of this decision. I've considered the events which occurred since UKI's final response of 9 August 2023. I'm also aware Miss J has raised a separate complaint about the way S1 handled her claim and has referred this to a separate Ombudsman Service. And so, I won't be commenting on the actions of S1 as part of this decision.

In December 2024 S1 told UKI it would be closing its file as it was unable to locate the correct third-party details. Following this UKI abandoned its recovery of its costs and recorded this as a claim against Miss J's policy. However, more recently UKI has confirmed a 50/50 split liability has been agreed with the third-party insurer.

Miss J ultimately holds UKI responsible for S1 not pursuing her claim, and the impact this has had on her policy. She says UKI should have done more to contact the witness and confirm the details of the third-party were correct.

Based on the evidence provided I'm satisfied UKI took reasonable steps to contact the witness. I can see it attempted to contact them on multiple occasions over a period of some months without success. As the witness didn't answer or return its calls there's little more UKI could have done. So, I'm satisfied UKI made reasonable attempts to contact the witness to discuss the claim and obtain the dash camera footage.

I've listened to the call Miss J had with UKI when she reported the accident to it. She explains she thinks she may have been given a false name by the third-party as the name she was given was male, but the third-party driver was a female. However, I think it's clear on review of the correspondence from the third-party insurer, Miss J was given the correct name, just a shortened version of it.

I think when S1 told UKI it was unable to locate the correct third-party details, UKI could have done more to clarify what had happened. It was clear from the initial call and correspondence from the third-party insurer that Miss J had been given the correct name. And the third-party insurer hadn't at any stage denied its insured wasn't driving at the time of the accident or wasn't involved.

I think had UKI clarified this with S1, it may have been able to proceed with Miss J's claim. However, based on the evidence provided I'm not persuaded this would have led to a different outcome. The circumstances of Miss J's claim weren't clear cut and there were no independent witnesses nor available footage of the accident. So, even if Miss J's claim progressed with S1 I think it's more likely than not the claim would have been settled on a 50/50 split liability basis.

Even so, I think Miss J has experienced some distress and inconvenience by the way UKI has handled her claim. Miss J was clearly distressed by S1's decision not to proceed with her claim, and I think UKI's failure to review this further exacerbated the distress she felt. Taking all of the circumstances into consideration I think UKI should pay Miss J £150 compensation to acknowledge the distress and inconvenience it has caused her.

UKI accepted the provisional decision. Miss J didn't provide any further comments or evidence for me to consider.

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 neither party has given me anything further to think about, I see no reason to reach a different outcome to the one I reached previously. So, I uphold this complaint for the reasons I set out in my provisional decision.

My final decision

For the reasons I've outlined above I uphold Miss J's complaint about U K Insurance Limited. I require it to pay Miss J £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 17 November 2025.

Andrew Clarke
Ombudsman