

The complaint

Mr L complains about the way Aioi Nissay Dowa Insurance UK Limited (Aioi) handled a claim on his motor insurance policy following a collision abroad.

What happened

The circumstances of this case are well known to each party, but in summary Mr L was involved in a collision, while abroad, in July 2023. So raised a claim under his motor insurance policy, which is underwritten by Aioi. Mr L said the third-party (TP) driver was travelling in the opposite direction on a hairpin bend, crossed into his lane of traffic, and collided with the front of his vehicle – and so he wasn't liable for the incident.

Aioi said that it would treat the claim as a non-fault one, but if the TP didn't agree, the claim could be concluded on a split liability basis. In January 2024, Aioi said its appointed representative had offered to settle the claim on a split liability basis based on the evidence provided. Mr L didn't agree that he should share any liability for the collision and said Aioi hadn't kept in regular contact with him or pursued the necessary lines of enquiry to establish the facts of the collision – and so he complained.

Aioi accepted it could have done more to keep Mr L updated and so upheld his complaint and paid £75 compensation for this. But it didn't think it had treated Mr L unfairly in relation to its liability investigations. Unhappy with the response, Mr L referred his complaint to this Service.

Our Investigator didn't uphold the complaint. In summary they said based on the evidence provided to them, they didn't think Aioi had acted unreasonably. But they could see the claim remained open and under investigation and so could only consider Aioi's actions up to the point where it issued its final response letter.

Mr L disagreed and said, in summary, Aioi failed to obtain all the necessary information to consider the claim before agreeing to a split liability decision. So, the case has been passed to me for 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.

While my summary of Mr L's complaint may be brief, I'd like to assure both parties that I've thoroughly reviewed all submissions made in relation to this complaint. My decision may not comment on each piece of evidence or point raised but will instead comment on the issues I consider to be key. This isn't intended as a discourtesy but reflects the informal nature of this Service – and the rules this Service must adhere to allow me to do this.

The scope of my decision

I want to be clear about what I've considered as part of my decision. This decision focuses solely on the events that took place up until Aioi's final response letter of December 2024. If Mr L is unhappy with Aioi's handling after this, he would need to raise a new complaint to it about these issues.

I recognise Mr L will be disappointed with my decision, but I don't uphold this complaint. I'll explain why.

Liability

I acknowledge Mr L has strong views about what happened during the incident. But I should first set out that it isn't the role of this Service to decide who was responsible for an accident. This is something that can only be determined by a court of law. So, I must decide whether Aioi has acted fairly and reasonably, taking into account relevant industry rules and the terms and conditions of Mr L's policy.

The terms state Aioi has the right to defend or settle any claim as it sees fit. So Aioi may reach a decision that its policyholder doesn't agree with. But in reaching its decision it should handle the claim promptly and fairly – in line with relevant industry rules. And it should take into account all available evidence supplied in support of the claim.

Mr L provided photos of the damaged vehicles, videos of the road where the incident occurred, as well as his written statement and a diagram of the road. Aioi's appointed representative also obtained a copy of the police report at Mr L's request – which I note doesn't give any clear conclusion on the party responsible for the incident.

Aioi attempted to obtain the TP's version of events from their insurer – but this hadn't been supplied at the point of Mr L's complaint. So on balance, I don't think it was unreasonable for Aioi to manage Mr L's expectations by explaining the claim may be settled on a split liability basis as there doesn't appear to be any evidence that clearly shows who was responsible for the incident.

In any case, the TP insurer has challenged liability. So, this remains undecided and may change. As this remains outstanding, I won't look to comment on this further. But if Mr L feels Aioi has unfairly handled the liability decision once this has been made, this would be a new issue that he can complain about – and he can then refer this complaint to this Service should he choose to do so.

Customer service

Aioi has said it could've been more proactive with its communication and awarded £75 compensation in recognition of this. I recognise that Mr L found the lack of updates frustrating. But I find the compensation awarded to be reasonable in the circumstances as while Aioi could have done more to keep Mr L updated with its progress, the claims notes show that Aioi was progressing the claim in a reasonable way.

Unfortunately, due to the collision taking place abroad, there were additional complexities in progressing things as additional parties were involved which can impact how quickly Aioi could move things forward. So, I'm satisfied the £75 compensation paid by Aioi is fair and proportionate in the circumstances.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 2 January 2026.

Oliver Collins
Ombudsman