

## **The complaint**

Mr C complains that Alwyn Insurance Company Limited unfairly handled and settled a claim under his motor insurance policy.

## **What happened**

The circumstances of this case are known to both parties, but in summary Mr C has a motor insurance policy, underwritten by Alwyn. In January 2025, Mr C was involved in a road traffic accident where a third party collided with his vehicle on a roundabout. Mr C therefore raised a claim under his policy, but disputed any liability, and alleged that the third party was driving carelessly and at high speed, which led to the collision. However, Alwyn ultimately settled the third party's costs in full and recorded Mr C's claim as a "fault" claim.

Unhappy, Mr C complained to Alwyn about its handling and settlement of the claim. Alwyn didn't uphold the complaint as it was satisfied it had handled the claim fairly, and managed Mr C's expectations at the outset. As Mr C remained unhappy, he referred his complaint to this Service.

Our Investigator didn't uphold the complaint. They concluded that Alwyn had handled the claim in line with the policy's terms and conditions and that it hadn't unreasonably settled the claim.

Mr C disagreed and asked an Ombudsman to make a final decision. In summary he said several procedural issues prevented him from participating meaningfully in the claims process, Alwyn misunderstood the collision and the roundabout layout, evidence was withheld until after Alwyn settled liability, and legal advice was delayed for over two months, leaving him unable to comment on the relevant factual points.

So, the case has been 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.

While I recognise Mr C will be disappointed with my decision, I do not uphold this complaint. I'll explain why.

I recognise I have summarised the circumstances of this case in less detail than presented. But I would like to assure both parties that I have carefully considered all submissions made when determining this complaint. I may not comment on each point raised or each piece of evidence provided. Instead, my decision will 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 are expected to adhere to enable me to do this.

I acknowledge Mr C has strong views about what happened during the incident. But I should 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. Instead, I must decide whether Alwyn has acted fairly, and in line with the terms and conditions of its policy.

Under the policy, Alwyn can conduct all matters relating to the claim on behalf of its policyholder. This means it may reach a decision its policyholder disagrees with, but any decision should be fair and reasonable – in line with the relevant industry rules – and taking into account the available evidence.

Mr C provided photos and diagrams explaining the incident. And Alwyn has demonstrated that it considered these alongside relevant case law, the Highway Code, as well as the testimony of both drivers. So, I think Alwyn has handled the claim fairly and considered all the available evidence.

Mr C maintains that when he entered onto the roundabout, the third-party vehicle wasn't in his view. And the third party appeared at speed and drove into his car. Alwyn wasn't provided with any additional evidence to support this, such as witness testimony, dash cam footage or CCTV. But I can see it took into consideration the images of damage caused to both vehicles. I also don't find it unreasonable for Alwyn to conclude that the damage was consistent with the third party's account.

Alwyn has also demonstrated that it initially defended liability and proposed a split liability. While the third party insurer disputed this, it demonstrated that Alwyn took steps to resolve the claim more favorably to Mr C.

I recognise Mr C doesn't agree with the third-party driver's account of the incident, and requested Alwyn obtain legal advice. In doing so, this demonstrated that Mr C would most likely be held wholly responsible for the incident. Mr C has said this wasn't provided to him for over two months and this left him unable to comment on the facts. I appreciate this delay would've been frustrating, but Alwyn had the right to make a decision on the claim, without the need to consult with Mr C following legal advice. So, I don't find this to have materially impacted things.

Alwyn is entitled to decide whether to take the matter to the courts. But it will make this decision based on what it considers its likelihood is of being able to successfully defend the case. Courts expect parties to use their time efficiently and appropriately. And I don't find it unreasonable for Alwyn to determine that this case isn't a worthwhile use of the court's resources. I say this as given the circumstances of the incident, it is unlikely Mr C would be able to avoid all liability. So, the best case would be some form of split liability (such as 50/50.) The impact of this would be similar to Alwyn accepting full liability. So, on balance, I'm satisfied Alwyn has acted fairly, and in line with the terms of the policy.

I think it would be helpful to explain that, while insurers typically refer to claims as "fault" or "non-fault", the actual terminology is "no claim bonus allowed" or "bonus disallowed". The term "fault" isn't to suggest that Alwyn has found Mr C to be at fault for the incident but reflects that Alwyn has been unable to recover the costs from another party, such as the third-party insurer. So, I'm satisfied it wasn't unfair for Alwyn to record the claim this way as it was unable to recover its costs.

I recognise Mr C disagrees with the costs Alwyn has settled. However, I'm satisfied this was based on evidence provided by the third party and consistent with the damage reported. Alwyn, as an insurer, will look to mitigate its overall outlay when settling costs as it isn't in its interest to settle unrelated costs. So, I don't find it unreasonable for Alwyn to have settled the costs it has based on the evidence it was provided.

**My final decision**

My final decision is that I do not 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 17 February 2026.

Oliver Collins  
**Ombudsman**