

The complaint

Miss M complains about how U K Insurance Limited ('UKI') handled a claim and decided liability for a collision and claim under her car insurance policy.

What happened

Miss M had a car insurance policy with UKI.

In April 2025 she was involved in a collision with a third party.

The circumstances of the collision were that she was using a roundabout, intending to turn right to the third exit. The roundabout is a large one, with two or three lanes. The third party entered the roundabout from Miss M's left (which would be from the direction of her first exit) and intended to also turn right to their third exit (in other words, the direction Miss M had driven from).

The third party was apparently in the incorrect lane for their intended direction. What this meant was that they tried to continue around the roundabout when their lane was for leaving the roundabout.

Miss M tried to leave the roundabout, and the two parties collided causing damage to them both. Miss M's front nearside corner contacted with the third party's front offside wheel arch.

She contacted UKI and made a claim.

UKI investigated her claim and the circumstances of the collision. It quickly told Miss M it would be dealing with the claim on a 50/50 basis. Miss M complained. UKI agreed it had decided on liability too quickly and paid Miss M £50 compensation. It also agreed to update Miss M when liability was actually agreed.

UKI wasn't able to obtain CCTV footage and no further independent evidence was available.

UKI agreed to settle the claim on a 50/50 basis with the third-party insurer (TPI). It did this on a 'without prejudice' basis.

As she remained unhappy, she brought her complaint to this service. She has had to pay £100 excess and thinks her premiums will rise. She has spent a long time calling UKI to explain what happened, and this has caused her distress and inconvenience. Our investigator looked into her complaint and thought that it wouldn't be upheld. He thought UKI acted fairly in its assessment of liability.

Miss M didn't agree with the view. Because she didn't agree, her 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.

It's important I start by saying that I'm not upholding Miss M's complaint. What this means is that I think UKI acted fairly in how it assessed liability for the collision.

I appreciate Miss M may be disappointed by my decision, and I'll explain why I've decided it.

I can see from the file that Miss M reported the collision to UKI. Its claims handler sent her an SMS saying that it would be dealing with the claim on a 50/50 basis. I can see Miss M wasn't happy about this decision. Following her initial complaint, UKI looked into what had happened and said it:

"...did not have the loss location on claim so was unable to locate the correct [roundabout]"

And

"...more investigation was required before coming to a split decision"

Any collision and subsequent claim brings with it some disruption from daily life, and I can see that the speed of UKI's initial decision caused Miss M some distress.

The file says UKI would pay Miss M £50 compensation for this. I've thought about this, and I think it's fair.

Following that initial assessment of her claim, Miss M provided substantial amounts of information to UKI about the roundabout, the Highway Code and what happened that day, and I thank her for her efforts.

At the centre of her version of events for the collision is that she was in the correct lane for her path to travel around the roundabout and take the exit she intended. But she says the third party driver wasn't, and in her opinion, she thinks that makes the third party fully liable for the collision.

Under the terms of the policy, UKI can:

"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."

This isn't an unusual term and it's used in most motor insurance policies. I think its use here is fair. But it's important that UKI assesses liability for the collision fairly and reasonably.

In its assessment of liability for the collision, UKI said:

"Liability was disputed and there was no evidence in either party's favour, even if the third party was in the wrong lane for route, Miss M was looking to exit and still has duty of care to ensure safe and clear to exit so due to this plus conflicting [version of events] and lack of evidence, 50/50 split is the correct outcome. We appreciate Miss M does not agree which is why we settled on [without prejudice] 50/50 split basis."

I've thought about this and carefully considered the evidence on file as well as relevant case law. And I think UKI's decision was fair. I've included the description of its final thoughts on the collision above as I think it succinctly describes the problem.

I don't doubt Miss M thinks she wasn't at any fault for the collision. But the law, the policy wording and UKI's experience at dealing with similar claim circumstances mean that UKI

thinks she would be held 50% liable if the case went to court. It also offered the 50/50 split on liability on a without prejudice basis. What this means is that, if further evidence became available, UKI could be able to challenge liability further. But from the evidence on file, no CCTV, dash cam or witness statements were available. I think UKI's actions here were fair.

Miss M clearly has suffered distress and inconvenience here. She insists her assessment of the collision is correct, but as I say above I think UKI acted fairly in its assessment and determination of liability so I can't reasonably say it caused much of the distress or inconvenience, apart from its premature assessment of the claim. And as I mention above, I think the compensation it offered Miss M for that was fair.

In her approach to this service Miss M has also mentioned she's had to pay an excess, and she thinks her premium will rise because of the collision and claim. I'll mention that I can't see that she's brought these specific points to UKI so I'm not able to make a decision on these here. But, I feel I can comment that her excess is part of her agreement with UKI. So, having made a claim, Miss M needs to pay it. I've said above that I think UKI's actions were fair, so it follows that Miss M needs to pay her excess in line with the policy terms.

Insurers use claims as one of their rating factors to calculate premiums. So Miss M's premium may be affected at renewal when UKI assesses her history. Sometimes premiums are affected by simply having a collision, even when it's non-fault. But, as I say above, I think UKI's assessment was fair and so it's unlikely this service would say UKI's re-assessment of her premium was unfair.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 14 January 2026.

Richard Sowden
Ombudsman