

The complaint

Mr N complained that U K Insurance Limited (“UKI”) unfairly accepted liability for an accident he was involved in, that it paid too little to settle his claim, and took too long to process the matter, under his motor insurance policy.

What happened

Mr N was involved in an accident. He said he stopped in the middle of the road when attempting to turn right. He said his car was stationary when a third party’s (TP) van collided with his car causing damage to his bumper. Mr N said the TP was driving recklessly and was responsible for the collision. However, UKI decided to settle the claim in the TP’s favour. Mr N didn’t think this was fair and complained.

In its final complaint response UKI told Mr N that having reviewed the photos and circumstances of the accident, it decided it must accept responsibility. It said there was no dashcam footage to prove Mr N was stationary at the time of the collision, which it felt would be very difficult to prove. UKI’s engineer considered Mr N’s car to be a total loss. It was explained that an average of the industry trade guide valuations was used when offering a settlement payment.

UKI acknowledged delays in reaching its total loss decision. To put this right it paid Mr N £150 and an apology for the inconvenience it caused him.

Mr N didn’t think UKI had treated him fairly and referred the matter to our service. Our investigator didn’t uphold his complaint. She thought UKI had acted reasonably and in line with its policy terms when offering the settlement payment it did. She said its decision on liability was reasonable based on the explanation it provided. And that it was fair that it paid compensation for the delay identifying the car as a total loss.

Mr N didn’t accept our investigator’s findings. He asked that an ombudsman consider his complaint.

It has been passed to me to decide.

I issued a provisional decision in November 2025 explaining that I was intending to uphold Mr N’s complaint. Here’s what I said:

provisional findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having done so my intention is to uphold Mr N’s complaint in part. Let me explain.

liability

Mr N’s policy terms say:

“When we can act on your behalf

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.

Start legal proceedings in your name, or in the name of any other person connected to this policy. This can be for your benefit or our own benefit.”

These are common terms used in the insurance industry. It means it’s for UKI to decide how best to deal with a claim. It doesn’t need Mr N’s permission to do this. This doesn’t mean UKI can do anything it wants. It must still ensure that it treats him fairly. I’ve focused on that here.

I’ve thought about Mr N’s comments that the TP was responsible for the collision as he was driving recklessly. He said he’d pulled into the road from a ‘T’ junction when turning right. He was in this position for several minutes waiting for the opportunity to complete the turn. The TP then approached at speed and collided with his car.

The information provided by the TP’s insurer gave a different account of events. It maintained that Mr N approached the junction at speed and pulled into the road the TP was driving along. It said Mr N was responsible for the collision.

It’s not the role of our service to determine blame or liability for an accident claim. But I can look to see that UKI considered the matter fairly. In its submissions it said that if Mr N’s car was already positioned in the middle of the road it would expect to see damage to the side of his car. But there wasn’t any. It also said the onus is always on the “emerging party” to ensure it is safe and clear to perform the manoeuvre. UKI referred to Mr N acknowledging his view was blocked, but that he pulled out anyway.

The damage to Mr N’s car is to the front bumper. From the photos provided this was ripped off as result of the collision. The damage to the TP’s van is down the side. I think this supports UKI’s position that it would be difficult to prove Mr N’s car was stationary at the time of the impact. I note there are no independent witness statements and no dashcam footage to refer to.

For UKI to continue to dispute liability for the claim it would need to be satisfied of a successful outcome should the claim proceed to court. Based on the damage presentation and the circumstances of the collision, UKI didn’t think it would be successful. I don’t think its decision to accept liability for the claim costs was unreasonable based on this information. If it continued to dispute liability it would incur additional costs that it was unlikely to recover. UKI settled the claim on a without prejudice basis. This means Mr N is still able to dispute liability with the TP should he choose to. I think this was fair.

From the claim records Mr N was told his car was a total loss in August 2025. The incident happened at the end of May. I think this could have been decided sooner. Because of this delay and the inconvenience this caused, UKI should pay Mr N compensation. But I think its payment of £150 was fair. So, I won’t ask it to pay more.

Valuation

The records show that UKI arranged for Mr N’s car to be inspected by an engineer. The engineer determined that the car was a total loss. When considering the market value of the

car and the damage evident from the post collision photos, I don't think this decision was unreasonable. Most insurers will determine a vehicle to be a total loss when the repair costs approach within 60% and 70% of its market value. I've not seen information that persuades me UKI acted unreasonably here.

Mr N's policy pays the market value in the event of a total loss due to accident damage. This is defined as:

"The cost of replacing your car with another of the same make and model, and of a similar age, mileage, and condition at the time of the accident or loss"

We don't provide valuations for vehicles but rather we look to see whether the insurer's offer is reasonable. In assessing whether a reasonable offer has been made, we obtain valuations from the motor trade guides.

These guides are used for valuing second-hand vehicles. We find these guides to be persuasive because their valuations are based on nationwide research and likely sales figures. The guides also consider regional variations. We also take all other available evidence into account, for example, engineer's reports.

I've looked at the trade guide valuations UKI obtained prior to making Mr N an offer. I can see that it used the correct make, model, and year for his car. It also used the correct loss date and mileage. It then took an average of three valuations, which came to £2,808. This is the value it based its settlement offer on.

Our investigator obtained valuations from the same trade guides UKI used. Again, I checked that the information our investigator used for the car and date of loss was correct, which it was. The highest of the valuations was the same as UKI obtained.

The valuation UKI used is very close the highest of the trade guide valuations. I think this was fair. But as I stated earlier, if either party can provide evidence to show that this isn't a fair value for the vehicle, we will take this into account.

Mr N provided some adverts showing similar cars for sale. We asked UKI to provide its comments as to whether this impacted on its valuation. It responded to say that the examples provided were not comparable to Mr N's car as they did not meet some or all the criteria it sets. It explained that its criteria requires any adverts to show the same make, model, and trim. Also, that the car is within one reg of the date Mr N's car was registered and within 20,000 miles of the distance his car had covered. It didn't think the examples provided impacted on its valuation.

I've looked carefully at the adverts Mr N provided. All the cars shown have covered more miles than his car. One advert doesn't clearly show the car is the same model. So, I have discounted this one. Another is clearly an outlier, as this is for sale close to £6,000. So, again I have discounted this advert. Of the remaining four one is slightly newer than Mr N's car. This leaves three adverts showing the same model with the same registration as Mr N's car. These cars are advertised for sale at £3,000, £3,850, and £3,995. All have covered close to 170,000 miles, which is around 40,000 more miles than Mr N's car.

Based on the information I've seen I'm not persuaded that Mr N can replace his car based on the valuation UKI arrived at. The business hasn't provided examples of cars for sale that show that Mr N could replace his car for its valuation. In light of the information Mr N provided I don't think UKI's settlement offer was fair. I think a fairer valuation, based on the available information, is to take the average of the closest comparisons Mr N provided. This

gives a figure of £3,615. I think this figure more closely aligns with the probable market value of Mr N's car. So, my intention is for UKI to pay the difference between what it paid and this higher amount, which comes to £807. It should also pay Mr N 8% simple interest on the delayed part of the settlement until this is paid in full.

Additionally, as I don't think Mr N was paid a fair settlement – and this has clearly caused him some inconvenience and frustration - it's fair that UKI pays him £100 compensation to acknowledge the impact this had.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

UKI responded to say that it accepted my provisional decision and had nothing further to add.

Mr N responded to say that he maintained his view that UKI had not treated him fairly. He provided a further account of the accident. He also said that at no point did he inform the business that the accident was his fault.

Mr N provided a video taken after the collision. He said the other driver can be heard asking him to move his car as it was blocking the road. Mr N said this shows his car was already stationary. And the TP caused the accident when overtaking.

In his response Mr N explained how the damage to the side of the TP's van, and the damage to his bumper is consistent with his version of how the collision occurred.

Mr N asked that I reconsider the liability aspect of my 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.

Having done so I'm not persuaded that a change to my provisional decision is warranted.

I acknowledge Mr N's comments that he didn't tell UKI he was to blame for the accident. I don't dispute what he's said. But UKI based its decision not to dispute liability based on the presentation of the damage to both vehicles. It also referred to Mr N's responsibility as the 'emerging party' to ensure it was clear and safe to perform the manoeuvre. His further comments don't persuade me that he was treated unfairly here.

I've watched the video taken shortly after the collision occurred. Someone can be heard making reference to Mr N moving his car. But I don't think this shows his car was stationary at the time of the accident or that the TP had driven recklessly.

Similarly, I have already seen photos of the damage to both vehicles involved. I've looked carefully at all the images again, including those Mr N provided with his representations. But this doesn't change my view. I'm satisfied that UKI considered the evidence fairly before it decided not to dispute liability.

I'm sorry Mr N remains disappointed with the liability outcome to his claim. But I've not seen anything to warrant a change to my findings. So, my final decision is the same as my provisional decision.

My final decision

My final decision is that I uphold this complaint in part. U K Insurance Limited should:

- pay Mr N £807 in addition to its original settlement offer, plus 8% simple interest* on the delayed payment from the date of the first offer until this is paid in full; and
- pay Mr N £100 compensation for the inconvenience and frustration he was caused.

*If UKI considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr N how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 12 January 2026.

Mike Waldron
Ombudsman