

## **The complaint**

Mr F complains that U K Insurance Limited trading as Churchill (UKI) unfairly settled a third-party claim made against him under a motor insurance policy.

## **What happened**

The circumstances of this case are known to both parties but in summary Mr F has a motor insurance policy underwritten by UKI. In April 2025, Mr F was involved in a road traffic accident with a third-party (TP) and so contacted UKI to make it aware of the incident – but he didn't intend to claim as he had agreed to resolve things with the TP privately.

The TP subsequently claimed against Mr F's motor insurance policy. UKI ultimately decided to settle the TP claim, and notified Mr F this would be treated as a "fault" claim. Mr F didn't think this was fair as he said he wasn't informed of the TP claim until UKI had already decided to accept it, and this prevented him from being able to provide evidence to challenge UKI's liability decision. So Mr F complained to UKI.

UKI upheld the complaint in part. It said it was satisfied its decision to pay the TP claim was fair but acknowledged its failure to communicate with Mr F caused some distress and inconvenience, and so it paid Mr F £150 in recognition of this. As Mr F remained unhappy, he referred his complaint to this Service.

Our Investigator didn't uphold the complaint. They said UKI's decision to pay the TP claim was fair, and in line with the terms of Mr F's policy. They also said they thought the £150 compensation UKI paid was reasonable in the circumstances to recognise UKI's failure to notify Mr F of the TP claim promptly. Mr F disagreed and asked for an Ombudsman to make a final decision. He said UKI denied him the opportunity to defend his case, it relied on evidence it didn't share with Mr F, its action had a significant financial impact due to the increase in Mr F's premiums, and the £150 it paid didn't reflect the upset and inconvenience it caused.

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.

I know I've summarised the circumstances of this case in less detail than presented. But I want to assure both parties that I've carefully considered all the information provided. I may not respond to every point or piece of evidence. But I've focused on the issues I consider to be key to the outcome of the case. This isn't meant 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.

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

I acknowledge Mr F 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. Instead, my role requires me to determine if UKI handled Mr F's claim fairly and reasonably, taking into account relevant regulatory rules and available evidence.

Relevant regulatory rules say firms should handle claims promptly, and fairly. So, the starting point with any insurance claim is the policy terms, which set out the agreement between an insurer and its policyholder. Mr F's policy terms confirm that in the event of a claim, UKI can take over and carry out the negotiation, defence or settlement of any claim in its policyholder's name, or in the name of any other person covered by the policy. In short, this means UKI can decide how best to conclude the claim. This may mean UKI reaches a decision that its policyholder doesn't agree with. But any decision made should be fair and reasonable – so it should consider all available evidence.

Following the incident, Mr F reported it to UKI on a "notification only" basis, as he had agreed to settle things privately with the TP. However, the circumstances of the incident were that Mr F was turning at a junction from a minor road onto a major road. Mr F alleges that the TP was driving too fast around the corner near the junction and swerved into Mr F's car causing damage to both cars.

Mr F confirmed he had dash cam footage of the incident, which UKI asked Mr F to provide. Mr F, however, didn't provide this. Unfortunately, at the point UKI notified Mr F of the TP claim, Mr F no longer had access to the dash cam footage as it had been overwritten. I understand why Mr F didn't provide the dash cam footage to UKI given his agreement with the TP. However, I'm persuaded UKI gave Mr F a fair opportunity to provide evidence to defend his claim and subsequently followed up with him to reiterate its request shortly after the incident notification. I say this as UKI's specific request for this evidence, despite Mr F contacting it on a "notification only" basis, showed the importance of this evidence. And it was no longer available due to the passage of time rather than UKI's failure to promptly request this. And so, I think this gave Mr F reasonable opportunity to download and safeguard this footage, in case it was needed in the future to defend the claim.

The claims file shows that UKI considered the remaining evidence when investigating the claim. This included a witness statement from an independent party, as well as the rules of the road and circumstances outlined by both Mr F and the TP. UKI concluded that based on all the evidence provided, it was unlikely it would be able to successfully defend the claim if it were to go to the Courts. I don't find this conclusion to be unreasonable, as there is insufficient evidence to support Mr F's version of events. It follows that I don't find UKI's decision to settle the TP claim unreasonable in the circumstances.

I recognise Mr F is also unhappy that UKI didn't provide him with a copy of the witness statement. While I appreciate this would have been frustrating, this isn't unusual. This evidence isn't for Mr F's benefit but is something for UKI to consider when investigating the claim. Instead, there is an onus on Mr F to provide evidence in support of his position, so that this can be considered in any liability decision.

I think it would also 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 UKI has found Mr F to be at fault for the incident but reflects that it has been unable to recover all its costs from another party, such as a TP insurer. So, as UKI was unable to recover its costs in full, I'm satisfied it wasn't unfair for it to record the claim the way it has. I recognise Mr F is unhappy about the future impact of this claim decision, but this doesn't mean that UKI has acted unfairly in the circumstances.

That said, it is clear UKI failed to communicate with Mr F in a reasonable way upon notification of the TP claim. Mr F has said this shows procedural unfairness and prevented him from being able to successfully defend the claim. However, I don't agree as UKI still provided Mr F with a fair opportunity to submit evidence in defence of his claim, including the dash cam footage he had at the time. Mr F hasn't provided any further evidence in support of his position. So, I'm not persuaded the outcome of the claim would have been any different had UKI notified Mr F of the TP claim any sooner.

But I agree that UKI's failure to notify Mr F of the TP claim has caused frustration and upset. UKI has awarded Mr F £150 in recognition of this. I don't find this amount to be unreasonable or disproportionate in the circumstances. This figure is consistent with our award bands where a firm's actions have caused some distress and inconvenience over a number of days or weeks. And this amount is consistent with what I would have awarded Mr F had UKI not made any award.

For the reasons I have explained above, I don't find UKI's decision to settle the TP claim to be unfair or unreasonable. So, I won't be directing UKI to do anything more on this occasion.

### **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 F to accept or reject my decision before 5 May 2026.

Oliver Collins  
**Ombudsman**