

The complaint

Mr T complains that U K Insurance Limited trading as Churchill Insurance (UKI) unfairly accepted liability on his behalf following a claim on his motor insurance policy.

What happened

Mr T has a motor insurance policy underwritten by UKI. In July 2023 Mr T was involved in a low-speed collision. Mr T said he was stationary at a traffic light when a third party (TP) car, which was behind him, rolled forward into the rear of his car. So Mr T claimed under his policy. UKI ultimately settled Mr T's claim but recorded this as a "fault" claim against him as it said the evidence provided to it meant it couldn't defend Mr T's claim. Mr T didn't think this was fair and so complained to UKI.

UKI didn't uphold the complaint. It said it was satisfied that it had considered Mr T's claim fairly and in line with the terms of his policy. Mr T disagreed with UKI's response and so referred his complaint to this Service.

Our Investigator didn't uphold the complaint as they were satisfied UKI had shown it considered Mr T's claim in a fair and reasonable way. Mr T didn't agree and asked for an Ombudsman to make a final decision. In summary, he said the damage to his car wasn't consistent with his car rolling backwards, the road conditions meant it was impossible for him to have rolled backwards given the road was flat, his 30 plus year driving history had been ignored, he disputed the content of the witness statement and felt this was a fraudulent account which had been provided some time after the collision, and the TP's behavior indicated they were at fault.

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 comment on each point raised – and this isn't intended as a discourtesy. But my decision will focus on the issues I consider to be key to this complaint.

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

It isn't for me to determine who was at fault for an accident. This is something that can only be determined by the Courts. Instead, my role requires me to determine whether UKI has treated Mr T fairly, taking into account the relevant laws, regulatory rules, good industry practice as well as the available evidence.

Relevant industry rules say firms must handle claims promptly and fairly. So, the starting point with any insurance claim is the policy terms which sets out the basis of cover between the insurer and its policyholder. Under the terms of Mr T's policy, 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 that UKI has the right to decide how best to settle a claim. This may mean it reaches a decision its policyholder doesn't agree with. But any decision UKI makes should be fair and reasonable – considering all available evidence.

The evidence UKI was presented was both parties' version of events and photographs of the damage to both cars. UKI initially looked to defend the claim based on this evidence, but the TP insurer, roughly a month later, provided UKI with a witness statement which described Mr T as having rolled backwards into the TP rather than the TP rolling forwards into Mr T. And so UKI concluded, in the absence of any other evidence, that it was unlikely it would be able to defend the claim if it were to go to the Courts. I don't find this unreasonable based on the evidence available to UKI.

I recognise Mr T has provided images of the damage to his car, as well as a screenshot of a text message exchange he had with the TP – which he says supports his version of events. It isn't for me to say how Mr T's car was damaged, as I'm not qualified to do so. That being said, I don't think the images provided by Mr T show with any certainty how the damage to his car was sustained. Additionally, the text message exchange Mr T had with the TP doesn't show that the TP admitted liability for the collision. And so, I don't find it unreasonable for UKI to conclude that this additional evidence wouldn't support the defense of Mr T's claim.

Mr T has said that the witness statement provided by the TP insurer is filled with errors, appears to be written by different people, and is likely fraudulent. While I recognise Mr T's concerns with the witness statement, UKI hasn't been provided with any evidence to support these concerns – as there was no CCTV footage of the incident to support Mr T's account, and the statement has been presented in a format that is consistent with normal industry practice and was provided within a reasonable period following the incident. UKI wouldn't look to pay a claim it considered fraudulent, or that it could recover from another party, as this wouldn't be in its financial interests. It follows that I don't find UKI's decision to take the witness statement into account unreasonable – given there is insufficient evidence to suggest it doesn't reflect the circumstances of the incident.

It may be helpful to explain that while insurers refer to claims as being recorded as "fault" and "non-fault", the actual terminology is "bonus disallowed" or "bonus allowed". The term fault isn't to suggest that UKI deems Mr T to be at fault for the accident but reflects that UKI has been unable to recover its claim outlay in full from another party, such as a TP insurer. And so, while I recognise Mr T feels very strongly that he shouldn't be held responsible for the collision, I don't find it unreasonable for UKI to have recorded the claim this way as it was unable to recover the costs it incurred in settlement of Mr T's claim from any other party.

So, for the reasons I have explained above, I find that UKI has considered Mr T's claim fairly based upon the evidence available to it, and in line with the terms of the policy. I appreciate this isn't the outcome Mr T was hoping for, but I hope my decision clearly explains how and why I have reached this decision.

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 T to accept or reject my decision before 8 May 2026.

Oliver Collins
Ombudsman