

The complaint

Mr I complains that U K Insurance Limited (UKI) incorrectly advised him about how an incident would be reported on the Claims and Underwriting Exchange (CUE).

The details of this complaint are well known to both parties – so I won't repeat them again here. Instead, I'll focus on giving my reasons for 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 agree with the conclusions reached by the investigators for these reasons:

- I'm satisfied that UKI was correct to report this incident on CUE as it did. I.e. on an information-only basis, showing that no costs were paid and that Mr I's No Claims Discount (NCD) wasn't affected. UKI is signed up to CUE, so has a duty to accurately report *any* incidents, whether or not they lead to claims. And Mr I doesn't dispute the incident itself – he reported it to UKI, in line with his requirements under the general conditions of the policy:

"Notification of accidents and losses

You must tell us as soon as reasonably possible about any incident which may lead to a claim under this policy."

- That said, as Mr I has pointed out, it's clearly evidenced that UKI made errors. It gave him incorrect and conflicting information about how the incident would be reported. It's already paid £300 compensation in relation to this. So the key question is, does this adequately address the impact its errors had on Mr I?
- Mr I says the resolution of this complaint "*doesn't surround the £300*". But our service's approach – in the context of compensation for non-financial harm – is to think holistically about the overall impact of the errors. And to decide what compensation is needed to adequately address this. From what Mr I has told us, it's clear he suffered inconvenience, stress and anxiety due to UKI's errors. I'm satisfied the £300 compensation offered is a fair and reasonable reflection of this considerable impact.
- I'm not persuaded there's a further material impact to address. As the incident would always have been reported on CUE, any impact this has (or may have) – beyond the disappointment etc. caused by the miscommunication – is unavoidable. And I can't reasonably hold UKI responsible for how other insurers may consider this incident. In any event, Mr I's NCD wasn't affected.

For these reasons, although I understand and empathise with Mr I's frustrations, I'm not increasing the compensation or directing UKI to do anything further to resolve this complaint.

My final decision

U K Insurance Limited has already offered to pay £300 in total to settle this complaint. I think this offer is fair in all the circumstance.

So my final decision is that U K Insurance Limited should pay Mr I anything outstanding of the £300 it's offered in relation to this matter. This should be paid within 28 days of being notified by us of Mr I's acceptance of my decision, failing which interest will accrue at the simple rate of 8% a year from the date of decision to the date of settlement (less any tax properly deductible).

If Mr I accepts this decision, it becomes legally binding on both parties. So he wouldn't then be able to take legal action in relation to any issues covered in this case. On the other hand, if he rejects the decision, whilst that won't affect his legal rights, it will mean that UKI wouldn't be obliged to comply with my 'order' – so it would then be purely a matter of goodwill as to whether it honours the offer. Legally, an offer isn't binding until unconditional acceptance of it has been communicated by the offeree.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 19 November 2020.

Rachel Loughlin
Ombudsman