

The complaint

Miss R has complained about the poor service she received from U K Insurance Limited when she made a claim under her car insurance policy.

What happened

Miss R made a claim under her car insurance policy to her insurer, UKI in November 2022. UKI took over a month to settle the claim.

Miss R complained to UKI. She said that on top of the distress of having her car stolen, the delay had caused her considerable disruption as she was without a car with two young children. She said that due to the time it took to settle the claim, Miss R wasn't able to buy a replacement car in time to travel and spend Christmas with her family.

UKI upheld Miss R's complaint and paid her £150 compensation for the distress and inconvenience caused.

Miss R remained unhappy and asked us to look at her complaint. Our Investigator thought UKI should pay a further £100, so increase the compensation to £250.

Miss R accepted the Investigator's findings. UKI didn't agree and wants an ombudsman to decide. In summary it accepts it provided a poor service, but says Miss R had enough time to buy a replacement car before Christmas. So it believes the compensation it paid is fair.

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.

Miss R called UKI several times during November and December 2022 chasing for an update on her claim. She explained that her circumstances meant she was without a car, approaching Christmas time and with two young children. Due to the delay, Miss R didn't receive a total loss settlement in her account until around 13 December 2022 - five weeks after the incident. While I agree it was possible, I think it would have been difficult for Miss R to have successfully secured a replacement car in time for Christmas - and she has explained this was the case as she was unable to travel to see family over the Christmas as period as hoped. And I think from the information provided, the distress was partly caused by the lack of updates provided by UKI and no clear indication of when her claim was likely to be settled.

When Miss R reported the theft of her car on 7 November 2022, UKI explained that it had a wait time for an engineer to review her claim of three weeks. But overall it took five weeks to settle what seemed to be a relatively straight forward claim. So I think a fair compensation award is £250 to reflect the distress and inconvenience UKI's delays and lack of updates caused Miss R.

My final decision

My final decision is that I uphold this complaint. I require U K Insurance Limited to pay Miss R a further £100, so a total of £250 compensation for the distress and inconvenience caused by its delay in settling her claim.

U K Insurance Limited must pay the compensation within 28 days of the date on which we tell it Miss R accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 6 September 2023.

Geraldine Newbold
Ombudsman