

## **The complaint**

Mr F says U K Insurance Limited ('UKI') provided poor service and didn't highlight a significant change in his cover sufficiently when he renewed his motor insurance cover.

## **What happened**

As the parties are familiar with the facts (and they're set out in more detail in my provisional decision) I've summarised them here.

Mr F's policy renewed automatically in May 2022. He didn't notice that UKI required him to have a tracker fitted to his car, or it wouldn't be covered for theft. He became aware of it in February 2023 when UKI asked policy holders to check if a tracker was needed. A suitable tracker cost around £400, and Mr F was told in error he'd only get a £17 refund if he cancelled the policy. He decided to keep it and buy a tracker. At renewal shortly afterwards, UKI said a tracker was no longer needed.

Following his complaint to UKI it offered him £60 for not returning calls and for providing the wrong sum for the refund. But it said he'd been advised to check the policy documents, in which the tracker was mentioned several times. Mr F didn't think UKI had done enough to highlight the significant change in cover, so he complained to us. Our investigator thought UKI had acted reasonably, so the complaint was passed to me for review. I issued a provisional decision upholding Mr F's complaint, along the following lines:

- Although the change in cover was significant, the first reference to any change at all was on page three of the renewal documents - and I thought it wasn't clear. Other references were on page six, and in a document starting on page nine. So I didn't think the change was highlighted sufficiently. Mr F had no reason to expect that such a major change would be made - and it doubled the cost of the policy for him, as the tracker cost around the same as the annual premium.
- When UKI gave Mr F the chance to cancel the policy, he didn't do so partly due to the low refund but largely because he thought (in error) that he'd have to declare the cancellation to future insurers and would pay more for future premiums.
- I thought it was unlikely that Mr F would have renewed the policy had he known about the tracker. I thought UKI should put matters right by refunding the cost of it, plus interest, and by paying him £100 compensation in total for poor service.

I asked the parties to comment on my provisional findings. Mr F accepted them and UKI said it had nothing to add.

## **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.

As neither party has commented on my provisional findings, there's no reason to depart from them. So, for the reasons set out above, I'm upholding Mr F's complaint and I require UKI to put matters right, as set out below.

## **My final decision**

My final decision is that I uphold this complaint. I require U K Insurance Limited to do the following:

- Refund the cost of the tracker to Mr F (subject to evidence)
- Add interest to the sum above, at the simple yearly rate of 8%, from the date of purchase until the date of settlement
- Pay Mr F £100 in total for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 7 February 2024.

Susan Ewins  
**Ombudsman**