

The complaint

Mr H complains U K Insurance Limited (UKI) accepted his claim on his car insurance policy as windscreen damage but then, part-way through the claim, changed its position and told him his claim was for accidental damage. Mr H says the claim should be for windscreen damage.

UKI is the underwriter of Mr H's policy, so it's his insurer. This complaint concerns, in part, the actions of one of UKI's agents. As UKI has accepted it's accountable for the actions of its agents, any reference to UKI in my decision includes its agents.

What happened

Mr H says his rear car window was smashed in by a vandal. He says he started a claim online and was given various choices for the type of claim he could make. Because only his rear window was smashed in, Mr H chose "windscreen claim". He says he was then directed to phone UKI's authorised glass repairer.

UKI's authorised glass repairer then replaced the rear window and Mr H paid the policy excess for a windscreen claim of £75. But the repairer said it couldn't complete the repair because it didn't have the equipment to remove some broken glass from the rear window that had lodged in the tailgate of Mr H's car.

Mr H contacted UKI to discuss arrangements for the repair to be completed. UKI said Mr H needed to take his car to another of its authorised repairers. UKI also told Mr H he'd have to pay a further £225 policy excess. It said this was because the damage to Mr H's car would now be treated as accidental damage caused by vandalism under its "Vandalism Promise", for which his policy excess was £300 (it deducted the £75 he'd already paid for the windscreen damage claim from this amount). UKI also subsequently noted the claim as a fault claim on the Claims and Underwriting Exchange database (CUE) (which it wouldn't have done had the claim remained a windscreen damage claim).

Mr H says UKI should treat the damage to his car as a windscreen damage claim, because that's what it was. He says his windscreen damage cover doesn't exclude vandalism. And Mr H also says he's been treated differently because UKI didn't have a mechanism for moving his claim from its first authorised glass repairer to its second authorised repairer without creating an accidental damage claim, which only happened because, in this instance, UKI's authorised glass repairer couldn't remove all the glass from his car. He doesn't think that's fair.

The investigator who looked at Mr H's complaint didn't uphold it. He said the windscreen damage cover in Mr H's policy didn't extend to collecting the broken glass. So he said UKI had treated Mr H fairly in dealing with the claim as one for accidental damage. He noted UKI had recorded the claim on CUE as a fault claim. But, since UKI was unable to recover its outlay on the claim, he thought this was fair.

Mr H disagreed. He said UKI's authorised glass repairer told him that it would remove all the

broken glass as part of the repair – and that it did remove all of it, apart from the glass it couldn't access. Mr H doesn't think it's correct UKI changed his windscreen damage claim to accidental damage simply because its authorised glass repairer didn't have the equipment to remove the broken glass.

In my provisional decision of 23 January 2024, I explained why I intended to uphold Mr H's complaint. Mr H has accepted my provisional decision but UKI has given me some comments on it. So Mr H's complaint has now come to me for a final 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.

The insurance industry regulator, the Financial Conduct Authority, sets out rules and guidance for insurers. One of these is that an insurer must handle claims promptly and fairly. So I've also considered this in deciding Mr H's complaint.

Having done so, and for the reasons I gave in my provisional decision, I don't think UKI has treated Mr H fairly and so I've decided to uphold his complaint. In my provisional decision, I said:

“There are two terms of Mr H's policy that are relevant here. The first is for windscreen damage. It says UKI will repair or replace broken glass in the windscreen, sunroof or windows of Mr H's car and repair any scratching to the bodywork caused by the broken glass. As I've noted, this policy term has an excess of £75. It's the one Mr H says should apply to his claim.

The second policy term is for accidental damage. The policy doesn't define “accidental damage” but it does have what's called a “Vandalism Promise”. This says if Mr H's car is damaged by “vandalism” (defined as damage caused by a deliberate and malicious act), while the claim won't affect his no claims discount, he'll have to pay the excess for accidental damage of £300. This is the policy term UKI now says should apply to Mr H's claim.

I think Mr H acted reasonably when he made a “windscreen claim” at the outset. It was only the rear window of his car that was smashed in and the windscreen damage policy term I've already referred to covers damage to windows. And when Mr H took his car to UKI's authorised glass repairer, it replaced the broken rear window – so it treated the claim as a windscreen damage claim.

It was only after UKI's authorised glass repairer had already replaced the broken rear window (and cleared all the broken glass it could) that it notified UKI and Mr H it couldn't complete the repair. Mr H says when he initially made the claim, he wasn't asked what had caused the damage to his rear window. He says vandalism was discussed only when UKI said his car needed to go to its second authorised repairer. And it seems it was only because the car needed to go to the second repairer that UKI changed its position and said the claim needed to be re-categorised as accidental damage.

I don't think it was fair and reasonable of UKI to change its position and treat Mr H's claim as accidental damage under its Vandalism Promise in the specific circumstances of this complaint. By the time it did this, it had not only accepted Mr H's claim as windscreen damage but also its approved glass repairer had already substantially carried out the repair.

In changing its position at such a late stage, UKI left Mr H with little choice, if he wanted his repair completed, but to pay the additional £225 excess and accept there was a fault claim

recorded against him. Mr H couldn't have anticipated either of these things when he, quite reasonably, made his windscreen damage claim. I don't think it was fair and reasonable of UKI effectively to tie his hands in the way that it did by changing the basis on which it was accepting his claim when it did and for the reasons it gave."

As I've mentioned, Mr H has accepted my provisional decision. UKI hasn't. It's referred me to the windscreen cover policy term I mentioned in my provisional decision. It says it had to do more than replace or repair broken glass and there were no scratches to repair, so the work carried out was outside the terms of the windscreen cover. UKI says this is why it said the further work wouldn't be covered solely under the windscreen damage part of the policy and would be covered under its vandalism promise.

UKI's comments don't change my conclusions on this complaint. I accept the repair to Mr H's rear window involved removing the tailgate to access the remaining broken glass, which was work UKI's first repairer didn't have the equipment to do. But for the reasons I gave in my provisional decision, I don't think it was fair and reasonable of UKI to change its position in the way it did about the basis on which it would accept the claim.

My final decision

For the reasons I gave in my provisional decision (which now form part of this final decision), I uphold Mr H's complaint and direct U K Insurance Limited to:

- Refund Mr H the additional policy excess he paid of £225 when U K Insurance Limited re-assessed his claim, together with simple interest at the rate of 8% a year on this amount from the date Mr H paid it to the date U K Insurance Limited refunds it;
- Remove all records of the fault claim from all internal and external databases; and
- Send Mr H a letter confirming it has removed all records of the fault claim from all internal and external databases. Mr H can then show this letter to any new insurers he has, so that his premiums can be adjusted, if necessary.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 March 2024.

Jane Gallacher
Ombudsman