

The complaint

Mr C complains about how U K Insurance Limited (UKI) handled a claim made on his motor insurance policy. He wants his policy excess refunded.

What happened

Mr C was involved in an accident with another driver, and he made a claim on his policy. UKI initially accepted his version of events and told Mr C that he would be held not at fault and his policy excess wouldn't be payable. It also said it would pass Mr C to an accident management company (AMC) to provide a hire car.

But the other driver's insurer disputed liability and so the AMC passed Mr C back to UKI. When his car was repaired, Mr C had to pay his excess. UKI defended Mr C and eventually the other insurer accepted liability. But Mr C was unhappy that he had to pay his policy excess, that he wasn't provided with a hire car, that he wasn't given clear information about the liability process, and that the approved repairer was 30 miles away.

UKI agreed that there had been service failings. It said it hadn't explained to Mr C at the outset that liability could change, and this may affect his excess and hire. It said he hadn't been given clear information and a manager had caused Mr C further frustration rather than reassuring him. It offered Mr C £250 compensation. But Mr C remained unhappy and wanted his policy excess refunded.

Our Investigator didn't recommend that the complaint should be upheld. He thought UKI had accepted its service failings and its offer of compensation was fair and reasonable. He thought Mr C wasn't entitled to hire from the AMC as liability had been disputed. He thought the policy excess was payable, but UKI had now said it would recover this as liability had been agreed. And he explained that it was for UKI to decide on its network of repairers.

Mr C said the catalogue of errors had affected his wellbeing. Mr C asked for his complaint to be reviewed, so it's 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.

I can understand that Mr C felt frustrated by his claim journey, and I was sorry to hear that this has affected his wellbeing. UKI accepts that its service has at times been poor, and I agree:

- Mr C said the other driver had rolled back into his car. When Mr C first notified it of the accident, UKI recorded the claim details incorrectly and held Mr C to be not at fault when further investigation was needed. It then directed his claim to the AMC which should only have been done when a non-fault claim was being made. The claim was later reverted to UKI when the other insurer disputed liability. This left Mr C very unsure of what was happening with the claim and without the assurance that it would be treated as non-fault.
- Mr C was also told in the notification call that his policy excess would be waived. But this

was before the other insurer had accepted liability. And so I think Mr C was wrongly informed and his expectations falsely raised. The sum was £500, and I can understand that Mr C felt frustrated that he was later told this was due.

- Mr C was initially told a replacement car would be provided, but this was when he was incorrectly referred to the AMC for a non-fault claim. Mr C told UKI that his car was undriveable after the accident as there may have been engine damage. UKI didn't provide a courtesy car until the car was taken for repairs. And I can't see in the policy booklet that Mr C was entitled to a courtesy car any earlier. But UKI accepted that it could have been more accommodating at the time.
- Mr C was left angry and frustrated after speaking with a manager who he hoped would resolve his concerns. And I think this must have caused him further stress.

UKI didn't uphold further concerns raised by Mr C:

- He said the claim had been delayed. But I disagree. I'm satisfied that UKI instructed a repairing garage within four days, the car was collected the following week, and the repairs were completed, and the car returned promptly 17 days after the accident. I haven't seen that UKI caused any avoidable delays in progressing the claim.
- Mr C said he hadn't been sufficiently updated on the claim. I'm satisfied that UKI updated Mr C on the liability issue when it had updates for him. I can understand that Mr C was keen to have matters settled, but any claim will involve some inconvenience and UKI isn't responsible for the delays in the other insurer accepting liability.
- Mr C thought the other driver having dual insurance had delayed the claim. But I can't see that this had any impact on the time UKI took to deal with the claim. And, in any case, UKI isn't responsible for the other driver's insurance arrangements.
- Mr C thought the repairing garage was too far from his home. But I can see that UKI checked for any approved garages that might be nearer. And Mr C's car was collected and returned to him. So the garage's location didn't have any impact on him. And UKI offered him the alternative of using his own repairer, as set out on page 7 of the policy's terms and conditions.

When a business makes mistakes, as UKI accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the errors had on the consumer.

UKI has explained that it defended Mr C and the other insurer has accepted liability. So when UKI has recovered its losses the claim can now be recorded as non-fault and UKI has also said it will recover Mr C's excess. I think that reasonably restores Mr C's position.

UKI paid Mr C £250 compensation for the trouble and upset caused by its handling of his claim. I'm satisfied that this amount is in keeping with our published guidance for the impact caused by multiple small errors that have caused avoidable frustration and upset. So I think that's fair and reasonable, and I don't require UKI to do anything further.

My final decision

U K Insurance Limited has paid Mr C £250 to settle the complaint and I think this offer is fair in all the circumstances. So my final decision is that U K Insurance Limited needs to do nothing further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 April 2024.

Phillip Berechree

Ombudsman