

The complaint

Mr H complains about the way U K Insurance Limited (trading as Churchill) have handled and administered the motor insurance policy he has with them. In particular, he is unhappy with how they have treated him after he told them he was having financial difficulties.

What happened

Mr H had a motor insurance policy with Churchill. Following issues at the start of 2024, he complained. Amongst his complaint points, he said:

- Churchill took the January direct debit payment on 23 February 2024 (£55.32) despite telling Mr H they would delay this for five days due to the financial difficulty he was having at the time.
- Mr H says the payment bounced and he was concerned about the impact of this, including any adverse credit file markers.
- Churchill also took the February direct debit payment despite telling Mr H it was cancelled.
- Churchill's call handlers were rude and unhelpful, and Mr H had to spend a lot of time on the phone. He says he was also unhappy with how they went through security with him, leaving him worried about his data. He says the responses through Churchill's 'chat bot' were also rude and unprofessional.
- Churchill gave him misleading information about the policy refund he was due or that they intended to cancel his policy in March 2024.

Churchill paid £50 compensation in late 2023 for a prior issue, and then responded and offered Mr H £70 for the distress and inconvenience caused and wrote off the outstanding policy balance of £55.32. Following Mr H bringing the complaint to our service, they then offered a further £150 for the issues.

An investigator considered the complaint, she agreed that mistakes had been made but thought the latest offer from Churchill fairly compensated the impact the matter had on him. She was also satisfied the credit file information was a fair reflection of his payment history. She said there were separate matters regarding an offensive advert and refunded premiums, which weren't being dealt with under this reference.

Mr H remained unhappy. He didn't think the offer fairly compensated for the impact on him. He also raised several points regarding his complaint issues being dealt with separately.

As there was no agreement, the case has been passed to me for a 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.

Many points have been made in relation to this complaint – I haven't addressed each one individually. Instead, I've focused on what I consider to be the important points to make the decision. That isn't meant as a discourtesy, it is simply the informal nature of our Service. I've set out the issues I think are most important here. And I've answered them below in turn.

Payment issues and adverse markers

Mr H says that Churchill took both the January and February direct debit from him, despite him telling them he couldn't pay them and Churchill confirming they wouldn't be collected as planned.

Churchill have provided us with a copy of the calls with Mr H. Having listened to them, I do agree with the Investigator that Churchill could have been clearer. Mr H asked for the January payment to be cancelled and that he would make a payment over the phone. However, when this didn't go through Churchill weren't clear that the scheduled payment would still be collected. I agree that Churchill should pay more compensation here for the impact this had on Mr H. I think a total of £325.32 (£275 compensation and £55.32 balance right off) is fair in the circumstances. This is the amount Churchill has now offered.

However, I haven't been given sufficient evidence to conclude that Mr H was told there would be any flexibility in collecting the payments or that the February payment wouldn't be collected. In fact, Mr H was asked if the February payment would be successful and he said it would. And Churchill confirmed there would therefore only be one payment outstanding (the January payment) and that Mr H should call back to pay it.

Churchill have confirmed that they have applied adverse credit file markers in regard to Mr H's January and February 2024 payments. However, I think these are a fair reflection of Mr H's payment history. The January payment had been late before the phone call discussed in this complaint. Mr H also failed to make the February payment as he said he would. I haven't seen anything to conclude these adverse markers are unfair and that Churchill should do anything further here.

Mr H's financial difficulty

Mr H has suggested Churchill should have done more to recognise the financial difficulty he was in. However, I haven't seen enough to conclude they didn't take enough steps or treat Mr H fairly.

Churchill made a note on the system of card issues. At this point, I can't see that they were expressly told by Mr H he was in financial difficulty or that it should have been obvious to them. Mr H had said that he was to sort the issue with the bank and move funds into the appropriate account

Having listened to later calls between both parties, I agree with the investigator that whilst Churchill might have been able to help Mr H further, that wasn't possible because Mr H wouldn't provide details of his circumstances. Ultimately Churchill wrote off the £55.32 balance as a gesture of goodwill and I think this was fair and wouldn't ask them to do anything more.

Churchill's service – including security procedures and intention to cancel

I agree that the service Churchill offered on occasions, having listened to the calls, wasn't what we would expect. Mr H didn't always receive a response in a timely manner and did spend a lot of time on the phone trying to sort the matter. There were also times he got misinformation. But the total amount of compensation offered is fair for the impact of this as well the payment issues.

Whilst I acknowledge Mr H found the associates rude, including on the chat bot, I didn't find this to be the case in the communications I have been given. Whilst Mr H didn't like the chat bot functionality, he still had the option to communicate in other ways.

Mr H has also raised concerns regarding Churchill's security procedures, including what he thinks are inconsistencies. Whilst I understand it was frustrating for Mr H, I haven't seen any evidence of any breach or any impact on Mr H that would justify awarding compensation for.

I say this also in regard to Mr H's complaint that he was told over the chat bot that Churchill intended to cancel his policy in March 2024. I also can't find any further evidence of this and agree that any possible impact was resolved by what he was told on the phone which was clear that cover would continue at that point.

In summary, the offer from Churchill to pay Mr H a further £150 is a fair one. The total amount of compensation that will have been paid is fair for the impact that the issues I have considered, have had on him.

My final decision

My final decision, for the reasons set out above is that the offer of compensation already made by U K Insurance Limited (trading as Churchill), is a fair one. They should pay him the further £150 (total of £325.32) if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 6 November 2024.

Yoni Smith
Ombudsman