

The complaint

Mr P complains about how U K Insurance Limited trading as Churchill ("UKI") handled a claim under his motor insurance policy.

What happened

Mr P had a motor insurance policy with UKI covering his car.

In September 2022 his car was parked at the side of a road when it was hit by a bus.

He contacted UKI and made a claim.

Mr P complained about various parts of UKI's service, including the length of time it took to close the claim and the service he'd had. In February 2023 UKI paid him £200 compensation for its lack of pro-activity.

Mr P also complained about his renewal price increasing in 2022 and 2023.

The third-party's insurer admitted liability for the collision in October 2023. UKI recovered its costs and Mr P's No Claims Discount ("NCD") was allowed. But it didn't communicate this with Mr P. Mr P also discovered that UKI hadn't contacted the third-party bus company until October 2023.

UKI tried to pay Mr P £300 compensation in November 2023, but the cheque didn't arrive. It re-sent the payment in April 2024. It also paid Mr P a further £50 because it had to re-open the claim to send him the second payment, which had caused Mr P some distress.

UKI gave Mr P a partial refund of some parts of premiums he'd paid because his NCD had been reinstated. There was a delay calculating these refunds, and Mr P made a further complaint. UKI paid him £75 compensation for this delay.

As Mr P remained unhappy, he brought his complaint to this service.

Our investigator looked into Mr P's complaint and thought it wouldn't be upheld. She said she thought UKI's overall compensation was in line with this service's guidelines.

Mr P didn't agree with the view. He pointed out his records showed he had two claims and asked questions about other quotes he'd had from other companies. He also asked why his latest renewal price from UKI had increased by about 50%.

He asked that his complaint was passed to an ombudsman, so it's been passed to me to make 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.

It's important I start by saying that in his response to the view, Mr P has raised further issues about the recording of two claims on his policy and the renewal price he's been asked to pay. I can't see that he's raised these as issues with UKI or that it has provided him with its final response, so I'm not able to consider these matters further here.

I'm not able to consider the parts of Mr P's complaint where he asks why other insurance companies quoted him a higher price than UKI at renewal.

This decision relates to the service Mr P has had during his claim, and the premiums he's paid at renewals of his car insurance policy.

Having read the file of evidence, I'm not upholding Mr P's complaint as I think UKI's payments of compensation are fair. I appreciate Mr P will be disappointed by this and I'll explain why.

I've looked at the claims journey for Mr P following the bus colliding with his parked car. I can see that UKI's service wasn't very good and there were extensive delays in finally settling his claim.

He's sent this service evidence that he contacted the bus operator, which confirmed that it hadn't been approached by UKI to ask it to pay for Mr P's repairs. This took place about 13 months after the collision.

The file contains UKI's final responses dealing with these aspects of the claims delays it caused by not contacting the third party and not communicating with Mr P about what was happening.

It's clear Mr P has suffered distress and inconvenience due to UKI's inaction. And I think this distress has taken place over an extended period as his claim was left open for a long time despite the evidence on file showing that the third party was content to settle it.

I also need to consider the impact on Mr P. I can see he's complained about the amount he paid UKI at renewal of his car insurance policy in both 2022 and 2023.

I can see his premium increased in both years, and he contacted UKI to complain about the premiums he was being charged. In the view, Mr P was told about why these premium increases are likely to have happened. This was probably due to him having a claim recorded on his policy, and because UKI hadn't received payment from the third-party insurer (because, as it turned out, UKI hadn't asked for it) he'd lost some NCD.

What this meant to Mr P was that he was temporarily overpaying his annual insurance premiums because his NCD was lower than it would have been. Once UKI recovered its outlay, it would then return this overpayment to him and his NCD would be reinstated. And I can see from the file, this is what happened to Mr P.

However, Mr P should also be aware that his claims history is one of the rating factors used by an insurer when calculating annual premiums. So, because Mr P had made a claim, his premium would likely have changed even though fault for the collision was entirely the third party's. This is in line with the marketplace and I don't think it's unfair.

So, what has happened is that his premium was increased due to his loss of NCD and the claim being recorded. When UKI finally settled the claim, his NCD was reinstated which has meant he's received a premium refund. I think UKI's actions in dealing with his premium refunds are fair.

But I've said above that I don't think UKI's actions were fast enough and I think its lack of action has delayed Mr P's claim significantly and led to a distress and inconvenience for him over a long period.

I can see from the file that UKI has already paid Mr P compensation for various parts of his complaints, with payments of £300, £200 and £75 relating to the claims delays and the premium refunds. I've mentioned above that there was an additional compensation payment of £50 made to him when his claim was re-opened so that UKI could pay him the £300.

Taking everything into account, I think the total compensation paid by UKI is fair, and in line with this service's guidelines. So, I'm not going to ask UKI to pay more, and I don't uphold this complaint.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 24 February 2025.

Richard Sowden
Ombudsman