

## **The complaint**

Mrs P and Mr P complain U K Insurance Limited (UKI) didn't refund the excess on Mrs P's motor insurance policy when it said it would.

References to Mrs P or Mr P, will include the other.

UKI are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As UKI have accepted it is accountable for the actions of the intermediary, in my decision, any reference to UKI includes the actions of the intermediary.

## **What happened**

On 2 October 2023 Mrs P's parked car was damaged by a third-party vehicle.

Repairs to the car were organised to be completed by UKI. Mrs P had to pay £100 excess and was told by UKI this would be repaid once the claim was settled.

When the repairs to the car were completed Mr P called UKI to claim back the excess paid. He contacted UKI a number of times to request repayment. He was told the payment was ready to be returned and during one call gave his bank details and was told it would be paid back into this bank account. It still did not arrive. He made a formal complaint.

UKI closed the complaint without refunding Mrs P's excess payment.

Because Mr P was not happy with UKI, he brought the complaint to our service.

In July 2024 after Mrs P and Mr P contacted our service, UKI reviewed the complaint and offered to refund the policy excess. It also offered £350 for the delay in reimbursing the policy excess and in respect of its poor complaint handling.

Our investigator upheld the complaint. They looked into the case and agreed the service received from UKI wasn't good enough, and that mistakes had been made. They were satisfied the £350 offered in compensation was fair and reasonable in the circumstances of this case.

As Mr P is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## **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.

UKI told Mr P the £100 policy excess paid would be refunded when the claim was settled. When the car was returned after the repairs were made Mr P contacted UKI to obtain the refund of the excess payment.

The excess was not refunded as Mr P had expected. I saw he made a number of attempts to obtain the refund without success, and at UKI's request in January 2024 he provided the bank details for the refund to be sent to.

I listened to this call and found UKI's advisor told Mr P the policy excess had been waived and had been authorised to be returned. He asked Mr P how he wanted the payment to be paid and Mr P provided his bank details. UKI's advisor told Mr P he was not sure of the time frame for the refund to be made but he did say it had been authorised, so I can understand why this made him think the refund would be paid soon after this conversation.

In May 2024, I saw UKI said it had no record of Mr P calling it or of him providing the bank details for the refund. Mr P said this caused him to worry that he had given his bank details to someone other than UKI, and that he could be the subject of fraud or a scam. UKI asked for him to provide details of the call. This detail was provided by Mr P, however UKI did not review it until after the complaint was brought to our service.

In July 2024 UKI acknowledged it had closed this complaint prematurely. It looked into the complaint again and located the call made by Mr P in January 2024. It accepted it made a mistake when looking into this complaint and it should have been re-opened and upheld when Mr P provided the details of the call made in which he provided his bank details. It said because liability is not in dispute, it was in a position to reimburse the excess. It also offered £350 compensation. However, Mr P does not feel this amount is a fair offer.

Although the refund of the excess payment was not returned for a number of months, it's usual for a consumer to only have their excess reimbursed in a non-fault claim once the third-party has paid the insurer's full claim costs. It's not unusual for this to be a number of months. However, I think UKI should have been clearer about the policy excess refund at the start of the claim. It could have explained that settlement of the claim was dependant on both insurers settling the claim, and not just the repairs to the car being completed, and that this can take several months.

I recognise Mr P had concerns that he had given his bank details to an unknown third-party. However, it was Mr P himself that called UKI on a phone number on which he'd spoken to it on previously, so it was unlikely he was speaking to someone other than UKI. And the details provided could be used only to pay money into bank accounts, but not to withdraw money.

I have considered the impact that UKI's lack of clarity, delay with the excess refund, and its failure to fully investigate this complaint in May 2024 had on Mrs P and Mr P. I recognise it caused inconvenience to Mr P when he continued to chase up on the refund more than would have been necessary if UKI had been clearer to him, or paid the refund soon after the call in January 2024.

UKI's delay and error caused worry and inconvenience that required extra effort by Mr P to sort out and think about over a number of months. However, I consider £350 compensation is fair in the circumstances of this complaint.

Therefore, I uphold Mrs P and Mr P's complaint and I require UKI to organise for the refund of £100 to be paid, if it has not already sent. It should also pay £350 for the poor complaint handling in the first instance and the delay in reimbursing the policy excess.

### **My final decision**

For the reasons I have given I uphold this complaint.

I require U K Insurance Limited to pay Mrs and Mr P £350 compensation. And refund the policy excess of £100 if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 26 December 2024.

Sally-Ann Harding  
**Ombudsman**