

## **The complaint**

Mr D complains that U K Insurance Limited (UKI) failed to promptly progress and close a non-fault claim. He feels this has resulted in a third-party insurer cancelling his policy as UKI failed to promptly close this claim when he questioned it with them.

## **What happened**

Mr D was previously insured by UKI. When he purchased a new car he took a policy with a new provider, Insurer B. On 7 December 2023, Mr D received an email from Insurer B to say it had identified an undisclosed claim for Mr D which was recorded by UKI. It asked him to call and add this to his policy as soon as possible.

Mr D did not recall the claim and called UKI to confirm the details – he was told this related to a non-fault claim after a delivery driver collided with his car at home. Liability was not in dispute and Mr D believed this to have been settled.

Mr D said Insurer B required confirmation that the claim was settled so this could be added to his policy now. And he said it asked Mr D to contact it with confirmation of the settlement so this could be done.

Mr D said Insurer B wrote to Mr D to say it was cancelling his policy. It said this was being done because the claim was still open after six and a half weeks with no response provided.

Mr D complained to UKI about the delay in providing confirmation that the claim was settled. He asked that UKI confirm the policy with Insurer B was cancelled because of its delay in closing the previous claim. He also wanted UKI to offer to provide insurance inline with the previous cost offered by Insurer B.

UKI sent a final response on 27 February 2024. It said it was sorry there was a delay in the claim being closed as promptly as it could have been. It had recovered the costs from the third-party insurer on 7 January 2024 but the claim wasn't closed until 7 February 2024. It said the Claims Underwriting Exchange Database (CUE) was showing the correct details with the claim being closed now.

To apologies for not being more proactive with the claim and keeping Mr D updated on its progress, it offered Mr D £100 as an apology.

UKI didn't think it was fair to say its actions with the closing of the previous claim could be said to be the cause of the cancellation by Insurer B. It felt it was more likely this was cancelled because Mr D had failed to notify it of the previous claim when the policy was taken out. Because it couldn't say it was at fault because of this, it didn't agree to look at providing any insurance for Mr D or additional costs he said he incurred as a result of the cancellation.

When the complaint was brought to this Service, UKI offered Mr D an additional £150 for the distress and inconvenience added with its handling of the previous claim. Taking the total settlement offered to £250. But it maintained that it could not be proven the policy with

Insurer B was cancelled because of its actions.

Our investigator looked at Mr D's complaint and felt the offer made to put things right was fair. She agreed UKI could have been better with the handling of the previous claim, but it was not reasonable to say Insurer B cancelled the policy because of the previous claim still being open.

Mr D disagreed and provided information which he felt supported the reason for the cancellation was because of this. Our investigator's opinion remained unchanged and Mr D asked for the complaint to be referred for 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 appreciate Mr D will be disappointed by this outcome, but I agree the offer made by UKI to put things right is fair and reasonable. And I don't think it can be determined from the information provided that Insurer B cancelled Mr D's insurance policy with it because of a delay in the previous non-fault claim being closed with UKI.

This complaint is not against Insurer B, but instead UKI. As such, I am not considering whether Insurer B acted fairly when cancelling Mr D's policy. Instead, I am determining whether it is fair to say, that Insurer B likely cancelled Mr D's policy as a result of the delay in UKI providing confirmation the claim with it had been closed.

The claim happened some time ago and it is understandable why Mr D may not have remembered this when he took out his new policy with Insurer B. But Mr D had an obligation to make sure he was providing accurate information about his previous claims. From the information provided, I think it is more likely that it was a lack of confirmation of this with Insurer B which resulted in the policy being cancelled over UKI failing to confirm the claim was settled sooner.

Mr D feels the information he provided from Insurer B demonstrates the policy was cancelled because the previous claim was still open. However, I don't agree it demonstrates this with the following being said by Insurer B:

*"To reconfirm, your insurance was cancelled due to a non-disclosed claim. This was queried with you but subsequently still not added to your insurance which was why the policy was cancelled. Had the claim been added and the additional premium paid, your policy would have remained in place and not cancelled.*

*Your Insurance would have only been able to carry on if the claim was added to your file. Regardless of the settlement, the claim would have needed to have been added on your file as all claims within 5 years, regardless of blame, must be added to an insurance policy"*

This sets out that Mr D had not contacted Insurer B to add on the claim to his new policy. This was after Insurer B had written to Mr D to confirm this needed to happen. It does not say the policy was cancelled because of the claim being open for longer than it might have been and because of this, I don't think it is fair to say UKI can be held responsible for Insurer B cancelling the policy.

UKI has accepted that while not responsible for the policy being cancelled, it could have been more proactive with managing the claim and getting this closed. As a result it has added distress and inconvenience to Mr D which it has recognised with its total offer of

£250.

I think this is a fair offer for the distress added. As it is not responsible for the policy being cancelled, it would not be fair to ask UKI to consider the consequential loss and impact of this which Mr D has set out. And the award fairly reflects the impact of its actions and what UKI can be held responsible for.

### **Putting things right**

UKI should pay Mr D the £250 it has offered to put things right. As it has already paid £100 with its final response, it needs now only pay the additional £150 offered when the complaint was brought to this Service.

### **My final decision**

I uphold this complaint and direct UKI to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 17 January 2025.

Thomas Brissenden  
**Ombudsman**