

## **The complaint**

Mr P complains that UK Insurance Limited trading as Churchill ("UKI") didn't treat him fairly in relation to his motor insurance premium following a claim.

## **What happened**

Mr P had a motor insurance policy with UKI.

Unfortunately, Mr P was involved in an incident where a third party reversed into the driver's side of his car while it was stationary.

Mr P says UKI has recorded three claims on his record – with one being a no-fault claim. He says he made a windscreen claim in 2015, there was an incident where a car reversed into his car in a car park, and another incident in August 2022 where Mr P's car brushed against a wooden post in a car park which slightly damaged his already damaged panels.

Mr P says his insurance policy has doubled when rates for his age group have only increased by 16%. He wanted to use his legal assistance cover to recover the additional premiums, but UKI told him he didn't have legal cover. Mr P disputes this.

Mr P also complains UKI didn't return his additional premium when he did less mileage than he had predicted. In 2022 he said his mileage was 6000 miles, but later that year he saw he would exceed that figure, so he contacted UKI to increase the mileage to 8000. However, his mileage was 6146 in the year 2022/2023. So, he asked for a refund for doing less than 8000 miles, but UKI declined this. Mr P wants lower premiums for his policy or wants to use his legal assistance to recover the additional premium. So, he complained.

Mr P was unhappy with UKI's decision on liability when he hit his car on some rocks in a hotel car park. UKI said the claim was recorded as a fault claim since it was unable to recover its costs, and it didn't consider the matter was one that would be successful if it went to court.

UKI say all its renewal quotes are system generated based on the available information and are sent to customers 28 days before the renewal date. UKI say a number of factors are considered when calculating premiums, for example a customer's age, car, postcode, and claims history. Mr P contacted UKI to discuss his premium but was unable to reduce the cost. UKI accept Mr P didn't receive the service expected; calls were not being returned, and he had to contact it on numerous occasions to try and resolve the matter.

UKI paid Mr P £225 to apologise for the service he received. UKI didn't agree to refund Mr P for his mileage as it doesn't issue refunds for overestimating mileage.

Mr P wasn't happy with the response from UKI so referred his complaint to this service. Our investigator concluded £225 compensation UKI awarded Mr P fairly addressed the distress and inconvenience caused. And UKI's liability decision was in line with the terms of Mr P's insurance policy. The investigator said she had looked at UKI's pricing policy structure and

was satisfied it had increased Mr P's premiums in line with that. So, she didn't uphold the complaint.

Mr P didn't agree with the investigator's view so the complaint has come to me to decide.

### **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.

Mr P brought a number of complaints to the service, some of those have been ruled out of jurisdiction. I understand Mr P's strength of feeling about this, but my decision will only refer to the merits of the remaining complaint points. I have separated into headings for ease of reading.

### **Misinformation about motor legal expense insurers**

Mr P says UKI told him he didn't have motor legal protection when he does. I have reviewed the evidence provided by UKI and Mr P and can't see anything to confirm what Mr P has told us. I'd like to be clear that I'm not disputing what Mr P was told, but I don't have any independent evidence to corroborate it. I can see UKI paid Mr P £50 to apologise for this and I think that's fair in the circumstances. I say this because despite what he was told, Mr P's policy documents show he did have motor legal protection with his insurance policy.

UKI's email to Mr P dated 24 February 2024 says, *"I've contacted our customer service team and they've confirmed your policy does cover motor legal protection and if you wish to discuss this further you will need to contact our claims team."* I think UKI explained what Mr P needed to do in order to use his motor legal protection and so I'm not upholding this aspect of Mr P's complaint.

### **Liability decision for incident 5 November 2023**

I can see this incident and its consequences have had a significant impact on Mr P. I've no doubt he's done all he can to try and prove his claim and acted in good faith when reporting the matter to his insurer. I can understand why he thought his testimony and photographs of the site would be enough to prove he wasn't at fault. And when UKI didn't pursue the claim I think this would have both shocked and upset him.

In the terms and conditions of the policy UKI is able to, *"settle your claim outside of court if we think it makes financial sense to do this."* And that's what it's done here. Because UKI doesn't need Mr P's agreement or approval in how it deals with claims. But I would expect UKI to base any decision on things such as the testimony provided by Mr P, evidence to support or challenge events, legal precedent, legislation, and the Highway Code.

Mr P maintains he wasn't able to see the rocks he drove into, and the rocks were overhanging the grassy area and were protruding into the road. There are no independent witnesses, there is no CCTV; so, there is no independent evidence that corroborates Mr P's version of events.

UKI considered the evidence and said it didn't think it would be able to bring a successful claim against the hotel. It said Mr P's testimony that he didn't feel the car going over the kerb, that he didn't see the rocks, and the rocks aren't visible through the body of his car isn't something it can hold the other party responsible for. And UKI said there were signs in the car park that said the hotel wouldn't be responsible for any loss, theft or damage that occurred in the car park.

I don't think UKI acted unreasonably here since it relied on the evidence before it came to that conclusion. And UKI is allowed to deal with claims as it sees fit by the terms of the policy agreed to when the policy was taken out.

### **Price increase of insurance policy February 2023 and February 2024**

I should make clear our role here is to make sure Mr P has been treated fairly and in line with how other customers have been treated. It's not for us to tell a business how to price their policies, we need to make sure they're being consistent and not taking advantage of any groups of customers. We are not the regulator and so we can't tell UKI what price it should charge Mr P for his motor insurance. That's for UKI to decide, based in part on the risk it thinks there is of Mr P needing to make a claim, and its wider commercial requirements.

Insurers constantly update how they rate risk. And their rates continually change so prices can go up or down, depending on what it thinks the risks are that year for all of its customers.

When calculating what premium to charge individual policyholders UKI will take a number of different factors in account – these are likely to include, but are not limited to, the policyholder's postcode, age of the drivers, value of the vehicles, car security, price of parts etc. And different insurers assess risk differently. Mr P says on average the increase for his policy should be 16% for his age group – but insurers use a number of risk factors including age.

UKI has sent us evidence to show how it calculated the additional premium it charged Mr P. It hasn't made a mistake in the amount it charged him. The evidence is commercially sensitive so I can't share it with Mr P. But, having looked at it carefully, I'm satisfied UKI has treated Mr P as it would other consumers in similar circumstances. So, although I'm not in a position to explain why the quotes provided in February 2023 and February 2024 were much higher than previous years, I'm satisfied UKI dealt with Mr P fairly and hasn't treated him differently to any other customer in the same circumstances.

### **Refund for mileage**

In 2022 Mr P's declared his mileage for insurance purposes was 6000 miles, but he increased it to 8000 believing he may do more miles than predicted. Mr P's actual mileage was 6146 in the year 2022/2023. Mr P asked for a refund since he did less than 8000 miles that year. UKI declined this since it doesn't provide refunds for overestimated mileage.

I reviewed the terms and conditions of the policy and considered what Mr P said. UKI doesn't appear to have said it provides refunds for overestimated mileage, and there is nothing in the terms and conditions to confirm that it would. So, I'm not able to say it has acted unreasonably or unfairly in declining Mr P's request.

I know Mr P will be disappointed with my decision. However, I have looked at whether UKI has acted in line with the policy when dealing with Mr P's claim and premiums. Having reviewed everything, I think it has.

I want to assure Mr P I have read and considered everything he has sent us. But if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and reflects the informal nature of our service.

**My final decision**

For the reasons explained I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 March 2025.

Kiran Clair  
**Ombudsman**