

## **The complaint**

Miss H is unhappy with the way UKI Insurance Limited (UKI) handled a claim under her motor insurance policy, as well as the renewal of the policy, and general delays and poor service.

## **What happened**

The following is intended as a brief summary of events, as the background to this complaint is well known between Miss H and UKI.

In November 2022 Miss H was involved in a car accident involving a third-party vehicle. She contacted UKI to report the accident and they arranged to repair her car and provide a replacement vehicle.

While the claim was ongoing and being resolved, Miss H's insurance renewal became due. She said her premium rose significantly by around £700 and UKI told her this was due to the claim being open. But she says they assured her that once liability was resolved, her premium would return to normal, and she would be refunded the additional amount. Miss H says she renewed her policy with UKI on that basis.

Additionally, Miss H was unhappy with the quality of the repairs to her car when it was returned to her. She said there were scratches and missing paint, and she wanted these issues to be fixed. Miss H was then provided with another replacement vehicle while her car was at the garage having rectification works - but during this time, she was involved in a minor collision with another third-party vehicle. She informed UKI of the incident but says she heard nothing back.

Miss H says she was then contacted by UKI and told they were treating the second collision as a fault claim, and she would be liable to pay her policy's excess towards the damage to the replacement car. But Miss H says she was previously told that no fault claim would be made against her, that it would not be on her file, it would not impact her premiums in any way, and to pretend it never happened.

Unhappy with how UKI had handled these issues, Miss H raised a complaint, which UKI responded to in January 2024. They upheld the complaint in part and said there hadn't been a promise to refund the increased premium – only that if the open claim was impacting Miss H's policy, once this was closed any refund due would be given. They also said they couldn't find any evidence Miss H was told the claim regarding the replacement vehicle would not be recorded as a claim on her policy. And they said the pricing of the policy was rated correctly based on the information held and there was no refund due.

But they did agree there had been some communication issues around promised call backs and recognised Miss H's difficulty contacting UKI and long phone wait times. They awarded a total of £150 compensation.

Miss H remained unhappy with UKI's responses to her complaints, so she approached this Service. An Investigator looked at what had happened and recommended that the complaint

be upheld in part. He said he had identified that the first claim from November 2022 had been incorrectly recorded on the Claims and Underwriting Exchange (CUE) database as being a 'fault' claim; despite it being non-fault with admission of liability from the third-party insurer. The Investigator said UKI should check that the claim was recorded correctly on their system for the 2022 policy renewal and re-calculate Miss H's premium for 2022 if necessary.

But in relation to Miss H saying she was mis-sold her policy at renewal; the Investigator didn't think this was the case. He said the phone calls he'd listened to showed Miss H was told UKI were unable to change the renewal price as they couldn't re-calculate it until the claim was closed. But he found no evidence Miss H was told she would receive a full refund of £700 once the claim was concluded.

In relation to the claim being recorded on Miss H's policy for the accident in the replacement car, the Investigator said he'd seen evidence UKI had written to Miss H to inform her they would be recording the claim on her policy and that she needed to pay her excess. So, he didn't think UKI had acted unfairly by recording the claim, in line with their duty to keep accurate records about their policyholders.

The Investigator also thought UKI had acted fairly in respect of the additional damage Miss H raised about her car. He said they'd agreed to reassess her car for rectification work and any additional damage, and they'd supplied a replacement vehicle for the duration of any repairs needed which mitigated the impact Miss H would have experienced being without her own car.

Finally, in respect of customer service issues, the Investigator said he felt it would have been appropriate for UKI to provide more regular updates and felt Miss H would have experienced frustration in trying to contact UKI. But he also said UKI had acknowledged these issues and compensated Miss H a total of £150 for this, which he felt was fair and reasonable.

UKI agreed with the Investigator's findings, but Miss H didn't. She said she only agreed to renew her policy with UKI on the understanding she would definitely be getting the increased premium back once the claim was closed. And she said she shouldn't be penalised for being involved in a non-fault accident.

As the complaint is yet to be resolved, it's been passed 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.

I want to start by explaining I won't be repeating the entirety of the complaint history here in my decision or commenting on every point raised. Instead, I've focussed on what I consider to be the key points I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.

It's not in dispute that UKI's customer service wasn't to the standard which Miss H could reasonably expect to receive. I can see UKI acknowledged their communication had been poor at times. So, I don't need to make a finding on whether or not UKI did something wrong here. What I need to decide is whether they've done enough to put things right. They apologised for this and made an award of compensation totalling £150 (increased from £50 originally).

But the crux of this complaint is really down to how UKI handled the claim and then the renewal of the policy, and whether there was misinformation given to Miss H which caused an impact. Miss H says that UKI expressly told her they would refund the additional premiums of £700 and that her renewal was mis-sold on that basis. But I haven't seen any evidence that this is the case. I've listened to the phone calls between Miss H and UKI and I can't locate any discussions that support what Miss H has said.

I appreciate Miss H has said that UKI won't provide her with a full disclosure under her Data Subject Access Request (DSAR). But I should explain that it's not the role of this Service to decide whether or not a business has breached data protection laws - that's the role of the Information Commissioner's Office (ICO). My role is to consider whether UKI acted fairly and reasonably in responding to Miss H's DSAR request.

I can see UKI responded to Miss H's DSAR request and provided recordings and copies of call notes. I've listened to the phone recordings UKI provided and thought about what happened during them against Miss H's testimony. Miss H said she was told at the time of renewal she would get her premiums refunded once the claim was concluded. But UKI says this isn't the case; instead, they only told Miss H they were unable to change the renewal price as they couldn't re-calculate it until the claim was closed.

I can't find any instances of Miss H being expressly told she would be receiving a total refund of the increased premiums in the calls I've listened to. Miss H says UKI has withheld phone recordings in which she was told she would be refunded her premiums, but I haven't seen any evidence that persuades me this is the case. And as Miss H hasn't demonstrated UKI expressly told her they would refund all of the increased premium charged at renewal – I won't be upholding this complaint point.

I've then moved on to consider the complaint point around the accident Miss H had while driving the replacement vehicle. While I acknowledge Miss H was unhappy a claim was registered on her policy for this accident, I can see evidence that UKI wrote to Miss H in March 2024 to inform her they would be recording the claim on her policy. They also explained that she needed to pay her excess as her contribution to the repairs needed. I haven't seen any evidence to persuade me that UKI told Miss H she didn't need to worry about the claim or that they wouldn't be recording anything.

I can understand Miss H was unhappy that her renewal premium would have increased as a result of being involved in a non-fault accident. But it's important to note that even a non-fault claim can have an impact in how an insurer rates the risk they are covering. And so, this doesn't automatically mean that any increase in premium as a result of being involved in an accident would be unfair.

### **Putting things right**

Since the complaint was brought to this Service, UKI have agreed to consider the premiums paid at the 2022 renewal and see if there are any refunds due as a result of the November 2022 claim being recorded as fault when it should have been recorded as non-fault. I find that to be fair, so UKI should confirm the record of the claim on CUE is recorded as 'non-fault' and, if a premium refund is due, refund the difference to Miss H, plus 8% simple interest from the date of the renewal.

I do have some sympathy for Mr H's complaint points about poor communications from UKI. Miss H says she received poor service when she couldn't get through to UKI several times on the phone and she's particularly unhappy about their failure to respond to her and provide

updates on the claim. I haven't detailed everything here – but I've considered everything Miss H has said about the impact on her.

A compensation award isn't intended to fine or punish a business, it's to recognise the impact the business' actions have had on their customer in a particular complaint. When deciding what amount would be fair, I need to consider how Miss H was affected.

I've no doubt the delays and uncertainty would've caused Miss H some additional distress and inconvenience. But I can see UKI have already paid £150 compensation in respect of these issues. Although I accept that there have been a number of failings and delays, I think UKI's offer of compensation to try and put things right feels fair. I know this will come as a disappointment to Miss H, but I'm satisfied this is fair in the particular circumstances of this case - so I won't be directing them to increase this.

### **My final decision**

For the reasons given, my final decision is that I uphold this complaint in part. I require U K Insurance Limited to:

- Confirm the record of the claim on CUE is recorded as 'non-fault' and check if a premium refund is due; and
- If a premium refund is due as a result of this change, refund the difference to Miss H, plus 8% simple interest, from the date of renewal until the difference (if any) is paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 27 March 2025.

Stephen Howard  
**Ombudsman**