

The complaint

Mr S complains that UK Insurance Limited (UKI) declined to refund the storage costs he incurred after he made a claim on his motor insurance policy.

What happened

Mr S's car was damaged in an incident and UKI declared it to be a total loss. Mr S disagreed with the settlement UKI offered him for his car. And so he put his car into storage until the matter was decided. But UKI said it hadn't agreed this and it declined to reimburse Mr S's storage costs.

Our Investigator didn't recommend that the complaint should be upheld. She thought Mr S initially told UKI that his car was at his home. She thought UKI hadn't implied in its correspondence with Mr S that he should store his car, and this wasn't stated in his policy. She listened to Mr S's calls with UKI, and she thought UKI hadn't agreed to pay for the car to be stored and it only became aware of this seven months later. So she thought it was Mr S's decision to put the car into storage and she thought UKI wasn't responsible for the costs he incurred.

Mr S replied asking for an Ombudsman's review, so his complaint has come to me for a final decision. He said UKI had failed to take his car, so it had to go into storage.

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 S has explained that the storage costs he incurred amounted to over £5,000. I can understand that he feels frustrated that UKI has declined to reimburse this considerable outlay. I can also understand that he was upset at the loss of his car.

From what I can see, the problem started when Mr S rejected UKI's settlement offer for the market value of his car. This valuation dispute was subject to a separate complaint that has already been considered by our service, so I can't consider this again here.

And Mr S made a further complaint about UKI's complaint handling that our Investigator explained we are unable to consider under the rules that govern us. I can't see that Mr S has rejected this view, so I'll not consider that further here.

UKI explained at the time it made a settlement offer to Mr S that it needed his consent to recover his car to salvage for disposal. But Mr S declined to agree to this whilst the valuation was in dispute. So I can't say that UKI failed to take the car as it would have done if Mr S had accepted its settlement offer or if he had given his consent.

Mr S told UKI's agent that his car was at his home address. But Mr S had already arranged for his car to be recovered to storage as he couldn't keep it at his home. Mr S said the car wasn't roadworthy as the MOT and insurance had expired. But I don't think this is relevant as, from what I can see, the car was driveable, and this could have been remedied or the car could have been declared SORN. So there was no need for the car to be put into storage.

Mr S is adamant that UKI agreed that it would cover his storage costs. Like the Investigator, I've considered Mr S's policy's terms and conditions. And I can't see that UKI is responsible for his storage costs. I've considered UKI's correspondence with him and his phone calls with UKI around the time when the car was put into storage. And I didn't hear storage costs discussed at all. So I have no evidence that UKI agreed to cover Mr S's storage costs.

From UKI's file, and the calls, Mr S didn't tell UKI that his car was in storage until seven months after the incident. UKI said that if he had told it this sooner, then it would have recovered the car to its own storage facility to avoid additional costs. And so I think Mr S prejudiced UKI's position by incurring costs that could have been readily avoided. And so I can't say that UKI should now take responsibility for them.

So I'm satisfied that it was Mr S's decision to put his car into storage without UKI's knowledge. And so I can't reasonably hold UKI responsible for the costs he incurred because of this.

My final decision

For the reasons given 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 S to accept or reject my decision before 20 May 2025.

Phillip Berechree
Ombudsman