

The complaint

Miss J complained that U K Insurance Limited (“UKI”) gave inaccurate information resulting in her paying a higher premium, under her buildings insurance policy.

What happened

Miss J obtained an online quote from UKI. This included an endorsement for her patio doors to be fitted with specific locks. Miss J said she enquired about retrofitting the doors with these locks. But this wasn’t possible. She called UKI to discuss this a few days before her existing policy was due to expire. Miss J said UKI’s agent told her the endorsement would be removed. Based on this information her old policy lapsed, and new cover began with UKI.

When Miss J received the policy documents the endorsement was still listed. She said UKI told her this was a requirement of her cover. Because this condition could not be met the policy had to be cancelled. Miss J says she was then forced to take a new policy, with reduced cover at a higher price. Had she known the endorsement would be applied, she says she would have retained her original policy.

In its final complaint response UKI said that when Miss J spoke to its agent there was some confusion regarding two endorsements on her policy. Its agent advised that one of the endorsements would be removed. But this didn’t relate to the patio door locks, this endorsement still applied. UKI acknowledges that incorrect information was provided about the endorsements during this call. To acknowledge the inconvenience it caused, it paid Miss J £100.

Miss J didn’t think UKI had compensated her for the additional cost and reduced cover she had to take because of its error. So, she referred the matter to our service. Our investigator didn’t uphold her complaint. He said UKI was able to cancel Miss J’s policy as she hadn’t complied with one of the endorsements. But he agreed it was fair for UKI to pay her compensation. He thought £100 was reasonable in these circumstances.

Miss J didn’t accept our investigator’s findings and asked for an ombudsman to consider her complaint.

I issued a provisional decision in April 2025 explaining that I was intending to partially uphold Miss J’s complaint. Here’s what I said:

provisional findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having done so my intention is to uphold Miss J’s complaint in part. Let me explain.

We expect UKI to provide clear and timely information to its customers. I’ve thought carefully about whether it did so in Miss J’s case.

I've read the call transcript Miss J supplied from the call she had with UKI's agent on 25 June 2024. During the call Miss J made it clear that her patio doors don't have the locks required by UKI's endorsement. She repeats this information when its agent says she must confirm if the locks cease to be used or are removed. The agent confirmed a change has been made to one of the answers Miss J gave in her online application from 'yes' to 'no'. The agent said this will remove the endorsement. The agent also said that the anti-lift device Miss J has in place for her patio doors will be fine.

In the transcript UKI's agent tells Miss J that she doesn't need locks at the top and bottom of her patio doors and she will still be insured.

I asked UKI to provide the original call recording, which it has. Having listened to the call the transcript provides an accurate account of what was discussed.

I think it's clear from this information that Miss J was upfront about not meeting the lock requirements for her policy. It's also clear that UKI's agent told her she didn't need to meet this requirement and would still be insured. As a result, Miss J took the policy with UKI and allowed her existing policy to lapse. If this has resulted in her paying more for a policy I think UKI should reimburse this cost.

I asked Miss J to provide full details of the policy she had in place originally, as well as details of the replacement policy she agreed with her new insurer. She responded with the renewal document showing her previous insurer offered cover from 29 June 2024 for an annual premium of £850.20. Miss J added a handwritten note to this document that says the best price she was offered, when she called the insurer, was an annual premium of £722. I don't dispute Miss J's recollection. But there is no other evidence to support this was offered.

Miss J wasn't able to provide the full document for the 2024 renewal. This is limited to the front page. But from what I've read the policy renewal in 2024 wasn't changed from the previous year's cover. The front page of the renewal document shows it included cover for accidental damage, bicycle cover and personal belongings away from home.

I've read the information Miss J obtained from her new insurer in 2024. This doesn't include accidental damage, bicycle cover, or personal possessions away from home. The annual cost for this cover is £953.57. I note the buildings and contents policy excess is £300, which is slightly lower than the £350 required for her previous policy.

Having considered this information, I think it's clear Miss J could have taken a policy at a lower price, with more cover. UKI's error meant she wasn't able to benefit from this. In these circumstances I think it's fair that it reimburses the difference between the two premiums. Miss J is paying £953.57 whereas the lower premium has been evidenced at £850.20. So, UKI should pay Miss J £103.37. It should also pay 8% simple interest on this amount from the date the new policy inception until this payment is made.

I acknowledge what Miss J says about being offered a premium over the phone for £722. But I think a fair approach here is to use the premium that's documented in the previous insurer's renewal.

Miss J says her premiums will be affected by the burglary for five years. I note her comments that this means she will be faced with higher premiums for a further three years as a result of having to change her insurer. Had she remained with her previous insurer she says this could have been avoided. However, I don't think Miss J has shown that she will suffer a financial loss in future years. It can't reasonably be known what cover she'll be offered or what this will cost. So, I can't ask UKI to pay compensation based on this.

Miss J was caused frustration and inconvenience as a result of having to find alternative cover due to the inaccurate information UKI's agent gave her. It's reasonable that it pays her compensation for the impact this had. However, I think the £100 it has already paid is fair. So, I won't ask it to pay more.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

UKI responded to say it had not further comments or information it wanted me to consider.

Miss J didn't respond.

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.

As neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

My final decision is that I uphold this complaint in part. U K Insurance Limited should:

- pay Miss J £103.37 plus 8% simple interest* from the inception of the 2024 policy until this payment is made.

*If UKI considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss J how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

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

Mike Waldron
Ombudsman