

The complaint

Mr I is complaining about the way that U K Insurance Limited trading as Churchill have dealt with his request to add a temporary vehicle under his motor insurance policy.

What happened

Mr I had a motor insurance policy with Churchill which allowed him to add a temporary vehicle. He contacted Churchill and was told that he could do so for up to 90 days during the policy term and could get cover for individual days or longer as needed. He used the online service to add another car for short periods of time on five occasions but on the sixth attempt was unsuccessful. When he contacted Churchill he was told that the policy only allowed five amendments and that as he had used all of those he could no longer get cover for an additional vehicle for the remainder of his policy term.

Mr I complained that he was not told about the limit on the number of changes when he was told that he could have up to 90 days of cover. And the limit didn't appear in the policy documents. He argued that if he had known about the limitation then he would have managed the cover differently, ensuring that he used the full allowance of 90 days.

Mr I also complained about the way that his concerns were dealt with. He had been cut off during one conversation and hadn't received a return call. He was also unhappy that when asking to speak to a manager he had been told that no-one was available. Mr I felt that he had been misled by Churchill and that his concerns were not being properly dealt with.

In response to his complaint Churchill offered Mr I £50 compensation. It accepted that there had been a breach of its own procedures when Mr I was not called back after the line was cut off and also when not offering him the chance to have a call back from a manager when he was told that none was available. It felt that its decision to not allow more than five amendments was fair and in line with its internal policy, and that it was not at fault for not notifying him of this during the earlier call.

Mr I was unhappy and brought his complaint to this service. Our investigator felt that Churchill had been at fault in not notifying Mr I of the 5 amendments limitation during the first call and awarded him an additional £150 compensation. Churchill accepted that decision but Mr I feels that it is not sufficient and has asked that an ombudsman consider his case.

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.

While I understand the frustration felt by Mr I with the poor communication from Churchill, I agree with the outcome reached by our investigator. Churchill was at fault for not being clear about the limitations of the policy when telling Mr I that he could get additional cover for up to 90 days. But I don't agree with Mr I that it's appropriate to award him a higher level of compensation than the £150 suggested by the investigator. As a result I uphold the complaint but in the same terms as previously stated with Churchill paying Mr I an additional

compensation of £150 on top of the £50 it had already paid.

Churchill has accepted this outcome but I will still make it clear, here, why I believe that it made a mistake that requires compensation. Churchill had argued that it made decisions of this type, to limit the number of amendments, on an “ad-hoc” basis, suggesting that it was an internal policy that had been properly exercised on this occasion. If that was the case then in my view, when dealing with Mr I’s complaint, Churchill should have recognised that it had given him a false impression, during the initial call, that the additional cover was limited only by the number of days in total. It appears to me that if the decision on each case is an “ad-hoc” one then this was an example where it would have been fair of Churchill to have not enforced the internal approach based on the confusion which it had caused Mr I in the original conversation.

The only issue that remains in contention is the amount of compensation which should be awarded. Mr I had argued that he was poorly advised and that as a result he was upset and stressed by the decision and had been without cover for his additional car for the remaining months of the year. He has said that he feels that a fair outcome would be to have had cover for a full year free of charge.

I agree with his argument that Churchill should have covered him for the remainder of the 90 days of additional vehicle cover. That would seem to have been a fair conclusion to his complaint. But the policy term is now over, so that option is no longer available, and I must consider what reasonable level of compensation fairly makes up for that loss.

He had told Churchill, and this service, that he used the cover to get his additional car fuelled and serviced and for other, unstated, needs but I have seen no information about what actual loss has been suffered by not being able to use the additional vehicle for any specific event. While there would clearly have been some benefit in having cover for the other vehicle I can only presume that it was not Mr I’s intention, when taking out the policy, that he needed permanent cover for the other vehicle as he would have presumably insured both cars at the time, and at additional cost.

In all of the circumstances it seems that the compensation of £150 is a reasonable amount for the trouble and upset that Mr I has been put to by not being able to maximise the cover under his policy. It represents the sort of awards which this service makes in such cases and I cannot see any justification to raise the amount on the evidence presented to me. For completeness, I confirm that I agree also with the level of compensation of £50 which Churchill awarded for the poor handling of Mr I’s calls when he was not called back after being cut off or offered a call from a manager when asking to speak to one.

Putting things right

Churchill should pay compensation of £150 on top of the £50 already paid.

My final decision

I uphold this complaint and require U K Insurance Limited trading as Churchill to pay a total of £200 compensation.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr I to accept or reject my decision before 25 August 2025.

John Withington
Ombudsman