

The complaint

Mrs N complains about the level of service provided by U K Insurance Limited (UKI) when she made a claim on her motor insurance policy. She wants further compensation for the trouble and upset caused. Mrs N is represented in this matter by Ms N, a named driver on her mother's policy.

What happened

Mrs N's car had a tyre blowout, and she reported to UKI that the tyre had "bullet-sized holes". UKI misconstrued this and thought Mrs N had been subject to an attack. Mrs N said she was made to feel like a criminal and her replacement car needs weren't met.

UKI paid Mrs N £500 compensation for the trouble and upset caused. But Ms N was unhappy that it had decided to close the complaint before discussing this with her. She thought it hadn't provided a like for like courtesy car. And she thought it should pay Mrs N more compensation for how she was made to feel.

Our Investigator didn't recommend that the complaint should be upheld. She thought UKI's payment of £500 compensation for the considerable upset caused was in keeping with our published guidance. She thought the policy didn't guarantee a like for like courtesy car, but UKI had reasonably tried to source one without success. And she thought UKI had reasonably directed Mrs N to our service after responding to her complaint.

Ms N replied that UKI had agreed it had provided a replacement car that didn't suit her mother's needs. She said UKI had agreed to discuss the complaint outcome with her before issuing its response. Ms N asked for an Ombudsman's review, so the complaint has come to me for a final decision.

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 can understand that Ms N felt upset with how UKI handled the claim. Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

I can see from what Ms N has told us and from UKI's file notes that the problems started after Ms N reported the claim and UKI arranged a replacement car for Mrs N. Ms N said this didn't suit Mrs N's needs and she called UKI. The agent misunderstood when Ms N described the holes as "bullet-sized" and took this literally, triggering the removal of the replacement hire car.

Ms N was obviously distressed as she had been caused to think she, and her family, had been subject to an attack. And I can understand that Ms N was caused quite a shock by UKI's error. After Ms N complained, UKI agreed this had been a mistake, and apologised for this. And it offered Ms N £500 compensation for the upset caused.

I can understand that Ms N feels that this isn't sufficient compensation for the effect the error had on her. But I think it is in keeping with our published guidance for when an error has had

a considerable impact. And so I think it's fair and reasonable and I don't require UKI to increase this.

From what I can understand, when UKI said it would withdraw the hire car Mrs N was offered a courtesy car from the repairing garage. But this also didn't suit her needs and so UKI tried to source a replacement from a hire company. I can see that it tried to source a larger car. But the ones offered to Ms N were declined and the supplier couldn't provide the type of car she wanted. So UKI said it would offer loss of use payments or taxis instead.

Ms N thought UKI should have offered a like for like replacement car. But Mrs N's policy provides for a small, 5 door hatchback as a courtesy car whilst hers is being repaired. And UKI told us that when a larger car was needed, it would try and source one from its supplier. But there was no guarantee of a like for like replacement.

From UKI's file notes, it listened to Ms N's concerns about the hire car provided and tried to source a more suitable one from its supplier, without success. So I think UKI acted within the policy's terms and conditions and its own procedures. And I can't say that UKI has treated Mrs N unfairly or unreasonably in this. From what I can understand, Ms N has been directed to send any loss of use or taxi claims to UKI for consideration. I can't see she has raised this with us as a further complaint.

Ms N was unhappy that UKI issued its response to the complaint without discussing this with her. I've looked at UKI's file notes of a call UKI made to Ms N to discuss the complaint, and I think there has been some confusion.

The notes state that Ms N was unwell at the time of the call. UKI said it would email its findings to Ms N, and she could then call it to discuss them. And Ms N later emailed UKI chasing its email with an outcome. But I can't see that UKI agreed to hold back the response to the complaint until after it had a discussion with Ms N. The response letter provided referral rights to our service if Ms N remained unhappy. So I'm satisfied that UKI hasn't done anything wrong on this point.

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 Mrs N to accept or reject my decision before 2 October 2025.

Phillip Berechree
Ombudsman