

The complaint

Mr H complains that U K Insurance Limited (UKI) added an incident to his driving record although he was unable to make a claim on his motor insurance policy. He wants the record removed and compensation.

What happened

Mr H informed UKI about an incident involving his car, but it said he was unable to make a claim for it. Nevertheless, UKI recorded this on the “Claims and Underwriting Exchange” (CUE) database and Mr H said this had affected his premiums at renewal.

Our Investigator didn’t recommend that the complaint should be upheld. He thought Mr H was required by his policy’s terms and conditions to notify UKI of an incidents, which he had done. And he thought UKI was entitled to record this on CUE. The record showed that the incident was recorded as “for notification only” and he thought this was correct as an incident had occurred, but no claim had been made.

Mr H replied that he thought it was unfair that insurers used incidents to increase prices. He asked for an Ombudsman’s review, so his complaint has come to me for a final decision. He thought UKI’s claims department shouldn’t have known of the incident as he had called its legal service to claim for an uninsured loss. Mr H thought UKI wasn’t abiding by its consumer duty under the relevant regulations.

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 Mr H feels frustrated that an incident has been added to his driving record although he wasn’t able to make a claim for it. I can see that Mr H has several concerns about insurers’ practices, and he has raised these with the regulator, the Financial Conduct Authority (FCA).

But it’s not my role to consider industry practice, as that’s the role of the FCA. My role is to consider how UKI responded to Mr H’s complaint and whether it has treated him fairly and reasonably. Mr H wanted some specific questions answered. But my consideration is about Mr H’s complaint and not about hypothetical situations. He may be better placed to raise these questions about industry practice with the FCA.

My consideration here is only about the recording of the incident on CUE although I can see that Mr H also complained to UKI about it declining his claim. And I can reassure Mr H that I have taken into account the relevant industry practices, laws, and regulations including the Consumer Duty.

The problem began when Mr H was directed to UKI’s claims team by its legal department to check whether damage to his car would be covered by his policy. This was eventually declined. UKI told Mr H that the incident wasn’t a valid claim under his policy’s terms and conditions. But Mr H said he never intended to make a 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 that Mr H's policy on page 34 of his booklet requires him to tell UKI about any incidents or motoring offences that have happened since his cover started. "Incident" isn't defined in the policy documents. But I think it's generally understood to be any event affecting Mr H's car that may lead to a claim. Mr H thought a recovery driver had caused damage to his car. And so I think this falls within the definition of an incident. And so I think Mr H was obliged to tell UKI of this.

UKI marked this incident on Mr H's policy as an "accident – single vehicle". Mr H thought another insurer had taken this into account when quoting for his cover. But the record UKI made on CUE, that other insurers would see, was a notification only claim with NCD allowed and with a cost of £0 following an accident.

I think UKI is obliged to accurately record information on CUE. I think it was made aware of the incident which wasn't covered by the policy. And so it correctly recorded it on CUE as for notification only. And I'm satisfied that this was an accurate record of the incident.

Mr H said other insurers had taken this into account when quoting for his renewal premium. And some insurers do take notifications into account when calculating risks. But this is their commercial decision and isn't something that I would normally interfere with unless there was evidence that Mr H was being treated differently to other consumers. And I haven't seen evidence to show this.

So, although I can understand Mr H's frustration, I think UKI has acted fairly and reasonably in recording the incident. And I don't require it to remove this record or pay Mr H any compensation.

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 H to accept or reject my decision before 8 October 2025.

Phillip Berechree
Ombudsman