

The complaint

Mr B is unhappy with how U K Insurance Limited (UKI) said it intended to settle a claim made under his motor insurance policy.

Any references to UKI include its agents.

What happened

In November 2024, Mr B told UKI he wanted to make a claim for his damage to his car. UKI said the car was a Category B write-off, so Mr B could not retain the car. Mr B complained about this, saying he considered the damage to be minimal and he didn't understand how this decision had been taken when nobody had physically inspected his car – the claim decision had been made based on some photographs. Mr B complained, saying he withdrew his claim but didn't get his excess back.

UKI responded to Mr B's complaint and said the car had three previous total loss markers registered against it. And given the age of the car and the cost of replacement parts, it simply wasn't economical to repair. UKI said that if Mr B wanted to continue with the claim it would pay a settlement figure of £574, net of the £250 excess, but it would become the legal owner of the car.

Mr B remained unhappy and referred his complaint to the Financial Ombudsman Service. He said to put things right he wanted UKI to refund the excess he'd paid, plus his out-of-pocket expenses. Mr B's concerns were considered by one of our investigators who said UKI hadn't acted unfairly. Mr B didn't agree and said he didn't think it was right that the decision was made just by looking at photographs. So, this case has been passed to me to decide.

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.

Having done so, I've reached the same conclusion as our investigator did, and for the same reasons. It's not for this Service to decide whether a car has been categorised as a total loss correctly, but to decide if an insurer has handled a claim fairly. I'm sorry to disappoint Mr B but I'll set out why I don't agree with his view UKI acted unfairly.

Mr B says UKI decided to declare his car a category B write off based on photographs alone. But that's not the case. Whilst the photographs of the car have been considered, an engineer and senior engineer have also considered the damage to the car, its value before the accident and how much the parts and repairs could cost. This concluded the repairs could cost in the region of £5,000. When this was balanced against the age of the car and previous total loss markers, UKI decided the car was a Category B write off. I haven't seen anything to suggest UKI didn't undertake a careful decision when setting out how it would be prepared to settle the claim.

I appreciate Mr B doesn't agree with this. As I've said, it's not my role to decide what, if any, category of write-off a car is after an incident. My role is to decide whether UKI has acted fairly. And I consider it has. I'm satisfied UKI clearly explained how and why it decided to deem the car a category B write off, and it has shown it carried out sufficient investigations to support that conclusion.

UKI told us Mr B withdrew the claim so didn't pay an excess (or have his excess deducted from the settlement figure offered by UKI). I'm satisfied UKI made a fair offer to settle the claim, but Mr B chose not to proceed with the settlement. This was his choice. So, it follows, I'm not going to ask UKI to take any further action or refund Mr B the costs he's asked for.

My final decision

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 B to accept or reject my decision before 18 August 2025.

Emma Hawkins

Ombudsman