

The complaint

Mr W complains about the way U K Insurance Limited trading as Churchill (UKI) handled his claim under a motor insurance policy.

What happened

The circumstances of this case are well known to both parties, but in summary Mr W was involved in a car accident in April 2025 and so raised a claim on his motor policy, underwritten by UKI.

During the claim journey, Mr W says he experienced several failings such as UKI's failure to promptly arrange the recovery of his vehicle, poor communication during the claim journey – including being unable to access the online repair portal, as well as being asked to return the courtesy car by the repairer despite UKI not informing Mr W of its position on the claim. Unhappy with this, Mr W complained in both May and June 2025.

UKI upheld Mr W's complaints and paid him a total of £250 compensation to recognise its service failings. However, Mr W remained unhappy and referred the complaint to this Service.

Our Investigator agreed UKI made some service failings but felt that the £250 compensation it had awarded was fair in the circumstances and so didn't think UKI needed to take any further action. Mr W disagreed and said, in summary, that he didn't think the compensation paid to him fairly reflected the impact of UKI's claim handling on him.

So, the 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.

I recognise I have summarised Mr W's complaint in far less detail than presented, but I'd like to assure both parties that I have thoroughly reviewed all submissions made when deciding this case. My outcome won't comment on each point raised or each piece of evidence provided but will instead comment on the issues I consider to be key to the case. This isn't intended as a courtesy but reflects the informal nature of this Service – and the rules this Service are expected to adhere to enable me to do this.

I'm sorry to hear of the impact of the collision on Mr W and acknowledge this has been a worrying and stressful time for him. I wish him all the best with his ongoing recovery.

Having considered the available evidence, I agree UKI hasn't handled the claim as it should have. But I don't think its offer of compensation is unreasonable – and so I won't be directing it to do more. I'll explain why.

The scope of my decision

My decision only looks at the issues Mr W raised in his complaint and that UKI responded to in May and June 2025 – as this Service can only consider matters that a respondent firm has first had the opportunity to consider and respond to.

Mr W explained that he considered the case to be unresolved as UKI has continued to request premiums following its total loss decision, changed repairers without his consent and that he had to arrange a private loan due to UKI's delays. UKI has agreed to this Service considering the continued request for premiums but as the remaining issues haven't been addressed by UKI, and it hasn't consented to us considering these issues, Mr W will need to refer these concerns to UKI for its consideration. He may then be able to refer a separate case to this Service for its consideration of these issues.

The collection of policy premiums

Mr W is unhappy UKI has sent him letters requesting the remaining premium for his policy, despite him asking that the policy be cancelled and UKI is no longer providing him with insurance.

However, under the terms of the policy, UKI states that if Mr W's car is written off, then it "*will not refund any part of [the] premium if [Mr W] pays annually*" and that if Mr W pays for his cover by installments through a credit agreement then he is required to "*pay to [UKI] all installment payments that have already fallen due under the credit agreement and remain unpaid and, the total remaining balance under the credit agreement.*"

This means that in the event Mr W's claim is accepted by UKI and settled on a total loss basis, Mr W is required to pay the full annual premium for his policy. This isn't an unusual term in motor insurance contracts, and it isn't unreasonable for an insurer to require this under the agreement given the annual premium is calculated based upon the risk of its policyholder making a successful claim over the period of cover.

As Mr W's claim was accepted as a total loss, he is required to pay the full annual premium. However, should Mr W be unable to immediately do this, UKI may be able to offer a flexible arrangement to make this manageable. Mr W would be best placed to discuss this with UKI to consider alternative options – if available.

Claim handling and Communication

Insurance claims are rarely straightforward due to their own individual complexities and number of parties involved. So, they can naturally take some time to be resolved. But relevant regulatory rules say that firms must handle claims promptly and fairly. UKI should therefore ensure it moves a claim forward promptly where possible to ensure there are no unavoidable delays.

I agree with Mr W that there were times UKI didn't progress things as it should have. I can see it took nearly a week for Mr W's vehicle to be recovered to the repairer. This consequently led to the claim being delayed as the repairer was unable to inspect Mr W's vehicle, and a delay with UKI being able to consider liability and provide a hire car.

I can see UKI offered Mr W the option of a courtesy car through its appointed provider, but Mr W had already arranged with the repairer for one of its vehicles to be provided. Had UKI ensured Mr W's vehicle was recovered more promptly, it's more likely than not that Mr W would've had access to a courtesy car sooner – regardless of this being provided by UKI's authorised provider, or through the repairer. So, I don't think UKI had progressed things in a reasonable way here.

Mr W has said that he was unable to access the repair portal for updates on the claim as suggested by UKI. UKI hasn't provided any explanation as to why Mr W had difficulty in accessing this system. So, there is no way for me to know exactly what the nature of the problem was. But, regardless of the portal's availability, I would expect UKI to have ensured it communicated with its policyholders in alternative formats to ensure its policyholder was aware of its progress.

Considering the delays and lack of access to the portal, I can see that Mr W regularly chased UKI for updates on its progress as he hadn't heard from it or the repairer. I recognise this would've been distressing and inconvenient for Mr W given he had just experienced a collision and said he required medical treatment due to this. Had UKI acted more promptly, there would have been no need for Mr W to be in regular contact to confirm its progress.

The return of the courtesy car

The policy terms state that UKI will provide a courtesy car if Mr W's vehicle is being repaired by an approved repairer. But the terms also confirm that there is no courtesy car cover in the event a vehicle is written off.

Originally, Mr W's vehicle was expected to be repaired which meant UKI could provide a courtesy car under the policy. However, once the vehicle was assessed by the repairer, it established Mr W's vehicle would be deemed a total loss – and so there would no longer be cover under the policy for a courtesy car. So, it was reasonable for UKI to ask Mr W to return the vehicle.

However, UKI still has a duty to handle the claim fairly, and I can appreciate Mr W found it upsetting to be asked to return the courtesy car when he hadn't been informed his vehicle had been deemed a total loss. So, I would've expected UKI to assist Mr W and offer a small window of flexibility to ensure he wasn't inconvenienced by returning the courtesy car prior to the settlement of his claim. I can't see that UKI offered to do this here.

Has UKI done enough to put things right?

While I recognise there have been service failings here, UKI has awarded Mr W £250 in total in response to his complaints. So, I have carefully considered whether this amount of compensation fairly and proportionately reflects the impact of UKI's actions.

Taking everything into account I think it does. I say this because –

- While Mr W's claim was originally delayed due to UKI's failure to arrange the recovery of his vehicle, this delay wasn't extreme and I can see that the claim has otherwise progressed in a reasonable way. As explained above, insurance claims are rarely straightforward, but, on balance, I can't see any other periods within this complaint where UKI failed to progress things in a reasonable way.
- I appreciate Mr W had to chase UKI to confirm what progress it had made on his claim. I agree Mr W shouldn't have had to do this as UKI should have been more proactive in its communication. However, while UKI could've been more proactive, it was moving the claim forward when it could and in a reasonable way.
- As I explained at the beginning of my decision, I am only considering the actions UKI responded to within its final responses in May and June. If Mr W is unhappy with UKI's progress after this, he could look to raise this alongside the remaining issues he referred to which are yet to be addressed by UKI.

- There is no exact science to awards for compensation. And I recognise Mr W has explained the situation has been stressful and upsetting. The nature of this claim will undoubtedly have always led to some stress and upset. So, it is important I separate any upset and stress caused by the incident itself to that unnecessarily caused by UKI. And considering the overall timeline of events, and the service provided, I don't think the £250 awarded by UKI is unreasonable or inconsistent with awards in other similar circumstances.

So, for the reasons I have set out above, I think UKI has made reasonable efforts to resolve things – and so I don't require it to take any further action in response to this complaint.

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 W to accept or reject my decision before 29 December 2025.

Oliver Collins
Ombudsman