

The complaint

Mr K complains about the actions of U K Insurance Limited ('UKI') when responding to his motor insurance claim.

UKI are the underwriters (insurers) of this policy, much of Mr K's dissatisfaction is with UKI's appointed agents. As UKI have accepted responsibility for their agent's actions, any reference to UKI in my decision includes the actions of their appointed agents.

What happened

The background to this complaint is well known to Mr K and UKI. Rather than repeat in detail what's already known to both parties, in my decision I'll focus mainly on giving the reasons for reaching the outcome that I have.

Following damage to Mr K's car, he made a claim under a motor insurance policy with UKI. Mr K later made a complaint about the standard of repairs and other issues with the service provided when responding to the claim. He also was unhappy with additional costs incurred and the suitability of a hire car that was provided by UKI.

UKI partially upheld the complaint and offered Mr K a total of £450 compensation to recognise the issues encountered with the repairs carried out.

Mr K remained unhappy and referred his complaint to our Service for an independent review. Our Investigator recommended that the £450 offer was fair and UKI didn't need to do anything further. As the dispute remains unresolved, the complaint has been referred 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

The scope of my decision

UKI are the underwriter of the policy that insured Mr K's car. The car and insurance was provided through a scheme. I won't be considering the actions of the scheme provider, only of UKI in their capacity as an insurer.

As UKI have acknowledged service failings when responding to the claim, my decision will largely be focused on whether the £450 compensation offered goes far enough to recognise the impact of any failings on Mr K.

Mr K has alleged other losses (increased running costs and early termination fees) related to the claim response. I'll only consider compensation for these losses if I find that, on balance, they occurred directly or indirectly because of failings that UKI are responsible for.

I will only be considering the actions of UKI and any impact on Mr K up until the final response letter dated 23 January 2025.

My key findings

It's clear that the repairs to Mr K's car didn't go as well as either party would've liked. I'm satisfied it was fair that UKI were given an opportunity to put things right. The evidence shows that remedial works were originally scheduled to take place on 5 September 2024 after Mr K had expressed dissatisfaction with the initial repairs in August 2024. I'm satisfied UKI made reasonable attempts to arrange another date when Mr K didn't bring the car in on 5 September. Whilst I accept there may have been some confusion over what was happening, I can't overlook that there was a delay on Mr K's part in contacting the garage from early October 2024 and this meant reduced availability until early November 2024. I don't hold UKI responsible for this delay.

Mr K raised a further issue with the remedial repairs on 15 November 2024. It was fair that UKI arranged a third-party inspection of the car. I've carefully considered the detail of that report:

Issue	Report finding
<i>Paint flaking from the repaired front bumper.</i>	<i>Rework as rectification.</i>
<i>Bonnet gaps poor.</i>	<i>Within manufacturers specification, no further action.</i>
<i>Left front and rear door gaps poor.</i>	<i>Within manufacturers specification, no further action.</i>
<i>Left hand rear door moulding loose.</i>	<i>We have clipped back in and is now secure, no further action.</i>
<i>Scratches to the upper rear bumper centre.</i>	<i>Normal wear and tear, no further action.</i>

Whilst Mr K felt there were unacceptable gaps around doors and the bonnet, I don't find UKI's position that these gaps were within the manufacturer's tolerance level and didn't present a safety or security risk. Mr K didn't provide evidence from the car manufacturer that undermined the third-party report. I also note the report dated 12 December 2024 states: "*In conclusion: I can confirm the insured has accepted our findings.*"

Mr K says the engineer didn't carry out a thorough enough inspection and didn't take any measurements of the disputed gaps. UKI have said that the engineer referred to relevant motor industry security standards and the gaps fell within the tolerance range. I find UKI's response and position (relying on the engineer's report) to be reasonable. An internal email from 27 December 2024 states:

"As this is a mass-produced vehicle, the manufacturing tolerances for the door gaps are standardized at 4mm ± 0.5mm. Based on the provided pictures, it is evident that the gaps fall well within these specified tolerances. In such cases, there is no need for additional measurements using tools, as the visual inspection sufficiently confirms compliance with the standards."

On balance, I find that UKI acted reasonably when instructing the report into the issues Mr K raised and relying on its' findings. It was also positive that UKI engaged further with Mr K

following concerns he raised and they took the car in for further remedial work in January 2025.

A key part of Mr K's complaint is the argument that the actions of UKI directly led to him terminating his agreement with the car provider scheme and paying a deposit on a replacement car. The evidence doesn't support that an ineffective repair was carried out that meant Mr K had no option but to return the car to the scheme provider as it was unsafe or not roadworthy.

In any case, if the repairs were poor to the extent that Mr K alleged, based on his call with UKI on 2 January 2025 - the scheme provider wouldn't have taken the car back in an unrepaired condition. Mr K told us: *"To date, I have spent approximately £4,000 rectifying the poor-quality repairs carried out under my insurance claim."* But I've not seen any sufficiently persuasive evidence that UKI need to reimburse him for this outlay, and they've taken reasonable steps to carry out a lasting and effective repair on the accident-related damage. The report Mr K has provided was dated months after the dispute with UKI and makes no reference to technical standards and doesn't go into the same level of detail as the report relied on by UKI.

In summary, I find that UKI aren't responsible for the decision Mr K made to terminate his agreement with the scheme provider, incur a termination fee of £250 or a deposit of £2,200. No persuasive evidence has been provided that Mr K's car was unsafe or not roadworthy.

Other points raised by Mr K

Mr K has said the hire car cost him more than expected to run. I find that the hire car provided was reasonable, as it met Mr K's specific needs as per a note in UKI's records from 23 July 2024. Although the fuel efficiency/economy may not have been directly comparable to his car being repaired, Mr K will have always incurred fuel costs regardless of what hire car was provided. The policy terms make an allowance for *'an alternative vehicle'*, but no reference is made to an exact replacement being provided and I find that a car was provided in line with the policy terms.

Mr K has referred to wanting UKI to cover lease payments he was making under the car provision scheme. I won't be directing UKI to reimburse any costs as they were owed by Mr K regardless of whether the car was being repaired or not. Mr K was provided with a hire car by UKI to replace his car whilst it was being repaired.

I note that Mr K wanted reimbursement of fuel costs for bringing his car in for repairs on multiple occasions. I've thought carefully about this. On one hand, UKI could've done more to arrange collection of the car, but on balance I'm satisfied the £150 additional compensation offered by UKI for this complaint point is fair (alongside their actions when made aware of an issue with repairs and the overall compensation offered), reasonable and proportionate – relative to the emotional *and* financial impact on Mr K.

Summary

It's clear that the actions of UKI in carrying out repairs to Mr K's car have caused him avoidable distress and inconvenience. I find the total compensation offered (£450) by UKI to be fair, reasonable and proportionate – relative to the impact on him.

My decision will disappoint Mr K, but it ends our Service's involvement in this dispute between him and UKI.

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 K to accept or reject my decision before 16 September 2025.

Daniel O'Shea
Ombudsman