

## **The complaint**

Mr H is unhappy with UK Insurance Limited's (UKI) handling and settlement of a claim he made under his motor insurance policy.

## **What happened**

Mr H made a claim under his motor insurance policy after he was involved in an accident.

Mr H has complained that UKI unreasonably delayed his claim, which led to further damage to his battery and suspension, and that UKI's cash in lieu settlement isn't sufficient to repair the claim related damage. Mr H has provided his own quote for repairs, and proof of the battery replacement he paid for. He would like UKI to pay the full value of his quote and to reimburse the costs he's incurred.

UKI has accepted there were some avoidable delays in its initial handling of the claim and in its payment of the cash in lieu settlement. It has offered a total of £300 compensation for these issues. But UKI maintains the cash in lieu settlement is fair in the circumstances and doesn't accept responsibility for the alleged additional damage to Mr H's car.

An investigator at the Financial Ombudsman Service considered Mr H's complaint but didn't think it should be upheld. He said UKI had based its cash in lieu settlement on the inspection carried out by its engineer, whose report was persuasive. The investigator didn't think it was fair to hold UKI responsible for the battery or suspension issues with the car. He also said UKI had paid a fair amount in compensation for the service issues it was responsible for.

Mr H didn't accept our investigator's opinion. So, as no agreement has been reached, the complaint 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, while I appreciate it will likely come as a disappointment to Mr H, I agree with the conclusions reached by our investigator. I'll explain why, addressing the various elements of Mr H's complaint separately.

### *The claim settlement*

Mr H has provided a repair estimate for the car which suggests repairing all the issues with it would cost in the region of £7,400. But UKI paid a cash in lieu settlement of only £3,250 – less the policy excess.

Firstly, I'll set out that I think it was fair for UKI to offer a cash in lieu settlement in this case. This is because Mr H's car had previously been declared a Category S write off, as a result of an earlier claim, which involved damage to the same area of the car. In these circumstances, I consider it fair for UKI to elect not to carry out repairs through one of its network contractors, and to pay cash instead – something which the policy terms and conditions also allow it to decide.

That said, where an insurer elects to pay cash instead of carrying out the repairs, I would expect it to demonstrate that the rates it used would be available to the policyholder in the open market, rather than being based on preferential rates only the insurer could obtain. I've kept this in mind.

UKI appointed an engineer to physically inspect the damage to the car as part of its assessment of the claim. The engineer highlighted various areas of damage which, in his view, weren't consistent with the damage to the third-party car or the version of events which had been described. He also highlighted various areas of uncompleted and/or poor previous repairs, likely relating to the previous write-off.

UKI based its settlement on the report prepared by its appointed engineer, who included only the damage they considered attributable to this latest accident. The engineer confirmed that his calculation was derived from ABP guideline rates. These are published by the Auto Body Professionals (ABP) Club as an industry benchmark for retail (non-contract) body repair costs. These rates are widely recognised in the UK repair market and reflect prices available to consumers, rather than discounted rates insurers negotiate with their own repair networks. On that basis, I'm satisfied the settlement figure was calculated using rates that Mr H could reasonably access in the open market.

I've considered the available evidence in relation to the areas of damage Mr H is seeking to claim for, against those areas accepted by UKI. Based on the evidence I've seen, I think it was reasonable for UKI to base its cash settlement on its engineer's report and recommendations. This is because the engineer was aware of the previous write off, and the circumstances of the loss, and so was able to consider these facts when establishing which damage related to the latest accident. I've seen nothing to suggest that the engineer who provided Mr H's quote knew either of these things, and so it's likely their quote reflects all of the damaged and poorly repaired areas of Mr H's car, not solely those which relate to the accident which is the subject of the current claim.

I haven't seen any expert evidence from Mr H to support that all the works outlined on his repair estimate are only necessary as a result of the latest accident. And in the absence of this, I think UKI's current offer of settlement is fair.

Should Mr H be able to obtain further expert evidence which links additional issues or areas of damage to this latest accident, in isolation, he is free to present that to UKI for further consideration. And should this result in a further dispute, Mr H will be free to refer that hypothetical new complaint to the Financial Ombudsman Service, subject to our normal rules and timescales. But based on the evidence currently available, I'm satisfied the cash settlement UKI has paid is sufficient to fairly settle Mr H's claim.

#### *Delays and consequential additional damage*

Mr H is also unhappy with delays in progressing his claim between the accident and the point he received the cash in lieu settlement. Mr H says that as a result of these delays, his car suffered additional damage to the battery, the suspension and its auto-pilot function.

Mr H says the battery was damaged as the car was left without being charged for around five months. This was because he didn't have a charging port at home and instead relied upon the manufacturer's free charging network. But access to this network was taken away when the manufacturer became aware of the accident. In order to get it back, Mr H needs to pay around £1,300 for a service with the manufacturer. Mr H also paid £213 to replace the battery. He would like UKI to cover both those costs.

UKI has disputed any delays on its part are the cause of any alleged damage to the battery. UKI says the accident-related damage was minimal and the car was driveable and so it is not responsible for Mr H's failure to charge it. UKI also denies making the manufacturer aware of the accident or causing him to be 'blacklisted' from the charging network. UKI thinks it's more likely the manufacturer's awareness of the fact that car was previously a write-off is the reason it has removed access to the charging network until a service can be carried out.

I've considered this point carefully and don't think it would be fair or reasonable to hold UKI responsible for the battery replacement costs or the service required for Mr H to regain access to the charging network. I say this because UKI wasn't responsible for ensuring the car remained charged after the accident – that obligation rested with Mr H. I also consider the arrangements Mr H had in place to charge the car, including access to the manufacturer's charging network, were personal arrangements not insured losses under the policy. And I've seen no evidence that a failing of UKI caused the removal of his access to that network. Whilst I appreciate there were some delays on UKI's part, I don't think these delays, in isolation, are what led to the issues with Mr H's battery.

I likewise don't consider that UKI is responsible for the reported issues with Mr H's suspension or wheel alignment. Mr H says that because of parking restrictions on his road, he needed to park his damaged car, and the insurer's hire car, on the driveway. He says this meant that some of his car was parked across his neighbour's drive, which is higher than his own. He says this put undue pressure on the suspension over several months, causing damage. He also says one of the wheels was wobbly, when he received his car back from the engineer, and needed to be replaced.

I don't think it would be reasonable to hold UKI responsible for the alleged damage in these circumstances. While I appreciate what Mr H has said about the parking restrictions on his road, I don't think this means that UKI's delays can be considered the sole reason he parked his car in the manner he did. It was ultimately Mr H's decision to park the car in this way.

In any event, UKI has highlighted that the issues with the suspension Mr H is seeking to attribute to the parking of the car, appear to have been highlighted on an MOT advisory in November 2023 – before the accident. UKI has also provided comments from the engineer – with a supporting photo – which shows the suspension having been tampered with, and the engineer's comments suggest that such an issue is inconsistent with the level of impact evidenced by the damage to the third-party car.

Taking the above into account, on balance, I think it's more likely than not that a pre-existing issue with the suspension and/or tampering is the cause of the issues Mr H has reported, rather than the accident, the subsequent inspection or the way Mr H chose to park the car while the claim was being investigated. So, I don't think UKI is responsible for any required repairs to the suspension, the alignment or the wheel.

In terms of the auto-pilot function, UKI has again been able to evidence that an issue with this pre-dated the accident. The car manufacturer confirmed that this hadn't been working from 10 May 2024 – prior to the accident. Based on this, I'm persuaded any issue with this is not the result of the claim or any subsequent delays on UKI's part.

UKI has acknowledged some initial communication issues and delays in its handling of the claim, as well as an avoidable delay in paying the cash in lieu settlement once it was communicated to Mr H. It has offered a total of £300 compensation to put this right. Taking into account the impact of these service issues, in isolation, I think UKI's offer is enough to fairly put things right. This amount is in the range of what I would have awarded had UKI not made an offer, when considering the impact these issues had on Mr H and the Financial Ombudsman Service's published guidance on compensation awards of this nature.

### **My final decision**

For the reasons I've explained above, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 December 2025.

Adam Golding  
**Ombudsman**