

The complaint

Mr L complains about the amount of premium refunds U K Insurance Limited ('UKI') provided for his motor insurance policies in 2020, 2021, and 2022.

What happened

Mr L held motor insurance policies with UKI. At the time of his renewals, he held an open claim and says UKI told him that if the claim was later settled non-fault, he would receive refunds in the range of around £100 to £150 for each year. When the claim was subsequently settled as non-fault, UKI reviewed the policies and refunded £60.48 for 2020 £67.20 for 2021 and £47.31 for 2022. UKI also refunded £25.43 for the 2022 policy following their identification of a separate pricing error on some policies, which included statutory interest.

Mr L complained to UKI and said he believed these amounts were lower than what he was led to expect at renewal. He said he should have received larger refunds. UKI considered the complaint but did not uphold it. They said there wasn't any evidence on any calls that Mr L was provided a guarantee on the refund amount he'd receive once the open claim was resolved as non-fault. Mr L remained unhappy, so he brought the complaint to the Ombudsman Service.

An Investigator looked at what had happened but didn't think the complaint should be upheld. He said the 2020 policy premium had already been considered by this service under a different complaint which had concluded UKI had acted fairly. So, he said we couldn't look at the complaint again unless there was new material evidence to consider. And in respect of the 2021 and 2022 policies, the Investigator said UKI had provided evidence to support the refunds provided and he was satisfied that when Mr L spoke to UKI during each renewal he wasn't given conflicting information.

Mr L didn't agree with the Investigator's outcome. He said he'd been told in 2021 and 2022 he would be expecting around £120 as a refund in each year once the claim settled as non-fault. And he said if he had been given the correct information, he could have gone to a different provider to get a cheaper insurance quote elsewhere. Mr L asked for an Ombudsman to consider the complaint – so, it's 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 carefully considered everything, I've reached the same overall outcome as the Investigator, and I do not uphold this complaint.

First, I want to set out my findings in relation to the 2020 policy. This Service has already investigated the renewal premium under a different complaint and found that UKI acted fairly. We will not look at the same matter again unless there is new and material evidence or a change in UK's position. I've seen no new evidence that would change our previous

outcome and UKI's position remains the same. It follows that I will not be reconsidering the 2020 refund as part of this decision.

In respect of the 2021 policy, the call recording shows that Mr L was initially quoted around £750 for his renewal premium. He asked what the premium would be without the fault claim and the agent estimated it could be around £150 lower if the claim was settled as non-fault. But the premium was then lowered to around £600 – and the agent also made it clear that because the quote had been reduced, any refund - if the claim did become non-fault - was likely to be smaller. But they could not confirm an exact figure in advance.

I accept that this was an estimate rather than a promise. And given the lower base premium and the agent's clear indication that the refund would be less, I'm satisfied the actual refund is consistent with the correct non fault rate and does not show that wrong expectations were set. From looking at the evidence UKI has provided supporting the refund calculation of £67.20, I've seen nothing to show that it is incorrect, and I think the evidence shows a clear pricing structure.

For the 2022, policy Mr L was refunded £47.31 when the claim was reclassified as non-fault. The call recording shows the agent explains the renewal price and that this would be adjusted if the claim changed, but again no fixed refund amount was promised. UKI has provided evidence supporting the calculation and I have seen nothing to show it is incorrect.

Separately, I understand the policy was affected by a known pricing error. UKI issued a further refund of £25.43 (which includes statutory interest) as part of remediation programme for all affected customers. I'm satisfied that this amount accurately reflects the overcharge from their error and was calculated on the same basis for all impacted customers.

Taking all of this into account I find that the refunds for 2021 and 2022 are correct, and that UK I set appropriate expectations at renewal. It follows that I do not uphold this complaint as I am satisfied UKI acted fairly and reasonably. I am not revisiting the 2020 refund for the reasons explained above.

My final decision

For the reasons I've given above my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 September 2025.

Stephen Howard
Ombudsman