

## **The complaint**

Miss N complains about how U K Insurance Limited (UKI) dealt with her motor insurance claim. She's unhappy that it wouldn't agree to cover all of the costs necessary to get her vehicle back to its pre-loss condition. She also complains about poor customer service and delays.

UKI is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As UKI has accepted it is accountable for the actions of the agents, in my decision, any reference to UKI includes the actions of the agents.

## **What happened**

In late 2024, Miss N made a claim under her motor insurance policy after her car was damaged in an accident. It later came to light that there were modifications to the vehicle. UKI says if it had been aware of the modifications when Miss N took out her policy, it wouldn't have agreed to insure it.

Miss N said she wasn't previously aware of the modifications. UKI accepted that she wasn't. However, the repairing garage said that in order to replace the damaged headlight, the vehicle would need to be restored to factory settings. This could potentially cause some issues. The vehicle's Engine Control Unit (ECU) would need to be remapped in order to reinstate the vehicle to its pre-accident status.

UKI wouldn't agree to cover the cost of the remapping. Miss N didn't think this was fair, so she made a complaint. She also raised several other concerns about UKI's handling of the claim.

UKI upheld some of Miss N's complaint points and paid her a total of £850 compensation. However, it said it wasn't liable for the cost of the remapping. It paid Miss N £216 to cover the cost of replacing the headlight.

Miss N remained unhappy and asked the Financial Ombudsman Service to consider her concerns.

Our investigator didn't think Miss N's complaint should be upheld. He wasn't persuaded UKI was responsible for covering the cost of work that was linked to the modifications. He acknowledged Miss N had received some poor service from UKI. But he thought the compensation it had already paid her was fair.

Miss N disagreed with our investigator's outcome and asked for her complaint to be referred to an ombudsman. She made some further comments about UKI's handling of her claim, including its refusal to extend her hire car. She said UKI refused to recover her car from the repairing garage. She also wasn't reimbursed the additional cost of getting her vehicle recovered to another company to get the headlight reprogrammed. So, 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, I've decided not to uphold Miss N's complaint. I'll explain why.

I've considered everything Miss N has told our service, but I'll be keeping my findings to what I believe to be the crux of her complaint. I wish to reassure Miss N I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

### Vehicle Modifications

The policy's terms and conditions say:

*"Modifications are changes to your car's standard specification, including optional extras.*

*If you wish to modify your car you must tell us what modifications you want to make, and we must agree to them beforehand.*

*Modifications include changes to the appearance or the performance of your car, including wheels, suspension, bodywork, engine and any additional software features (excluding those provided free as software updates by the manufacturer). This is not a complete list.*

*If you don't provide correct and complete information or inform us of any changes, this could invalidate your policy or mean we don't pay claims in full or at all."*

UKI has provided screenshots showing questions Miss N was asked when she purchased the policy. One of the questions was: *"Has your car been modified?"* The policy documents say: *"No modifications made"*, which would suggest Miss N answered *"no"* to this question.

According to UKI's records, Miss N's vehicle was found to have had several modifications including enhanced air intake pipes and an ECU remap. And UKI has provided evidence to show that it wouldn't have offered cover for the vehicle if it had been aware of the modifications to it.

Miss N says she wasn't aware of the modifications on the car when she bought it. UKI has accepted what Miss N has said. It says this was why it didn't take the actions it potentially could have done if it had concluded Miss N had made a misrepresentation – which would be to avoid the policy and decline her claim.

I understand UKI has covered most of the costs of repairing the vehicle. However, in order to replace the damaged headlight, the repairing garage said the vehicle would need to be restored to factory settings. This was so the vehicle's ECU would recognise the headlight to enable it to function correctly. There was a concern that the engine might not function correctly after this because of the enhanced air intake pipes. UKI says it was likely that the stage 2 remap would have to be re-done. UKI says it isn't liable for this cost, but Miss N feels it should cover it.

I appreciate that the remapping needed to take place before the vehicle could be safely driven. However, this wouldn't have been necessary if the vehicle hadn't previously been modified. Given that UKI wasn't aware of the modifications when it agreed to insure Miss N's car, I don't think it would be fair to require UKI to cover this additional cost. UKI made a cash

in lieu payment to cover the cost of repairing the headlight which was damaged in the accident. I think this was reasonable under the circumstances.

Miss N has commented that she also had to pay for the car to be recovered to a reprogramming company. But again, this cost was only incurred because of the modifications to the vehicle. So, I don't think it would be reasonable to require UKI to cover this.

### Customer service

I can see that Miss N has raised a number of concerns about UKI's handling of her claim. I won't go into all of these in detail. Instead, I will focus on the reasons she's given for wanting her complaint to be looked at by an ombudsman.

Miss N says when she was having issues getting her car repaired, she asked UKI for cash in lieu. But she was told that due to safety issues on the car it was unable to give her cash in lieu, and she was told to take the car to another repair garage.

I appreciate Miss N would have liked to have been offered a cash in lieu payment after the difficulties she'd experienced with the initial repairing garage. However, the terms of the policy entitled UKI to decide how to settle her claim. So, I'm not persuaded UKI acted unfairly here.

Miss N says she was given a courtesy car for 21 days but, due to unresolved issues between UKI and the original repairing garage, the car was taken back. She says UKI gave her a courtesy car on the condition that her vehicle was booked in at another garage by a particular date. However, after her vehicle was taken to the second repairing garage, UKI took back the courtesy car and she was left without a vehicle from that point.

Miss N says she was unable to work for two days as she needed a car for her job. Her employer later changed her duties so she could work in the office, but this caused issues for her at work.

I can see that Miss N's policy included guaranteed hire car cover. If her car was being repaired by one of UKI's approved repairers, she would have been entitled to a hire car until the repairs were completed. However, Miss N's car was being repaired by her own repairer, so she was only entitled to a hire car for up to 21 days in a row. I appreciate that being without a car caused Miss N some difficulty. However, she was no longer entitled to a hire car at the time it was taken from her.

UKI has acknowledged it is responsible for some poor service in the overall handling of Miss N's claim. This included some poor communication and delays. However, UKI has paid Miss N a total of £850 compensation. This is in the range of what our service might typically award where the impact of a business's mistakes has caused substantial distress, upset and worry. So, I think the compensation UKI has paid Miss N sufficiently recognises the impact of the poor service it provided.

I appreciate my answer will be disappointing for Miss N, but I don't require UKI to do anything further.

### **My final decision**

For the reasons I've explained, I don't uphold Miss N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 23 October 2025.

Anne Muscroft  
**Ombudsman**