

## **The complaint**

Mr K has complained that U K Insurance Limited (UKI) rejected a claim he made under his car insurance policy. UKI applied its fraud exclusion when doing so.

## **What happened**

In October 2024 Mr K reported being involved in a collision with another vehicle. UKI initially said it would settle the claim as a total loss due to the damage described. However, on inspection by an engineer of both vehicles, UKI rejected Mr K's claim. It found the circumstances of the incident as described by Mr K didn't match the damage evidenced in the engineer's report.

UKI applied its fraud exclusion. Mr K was very unhappy about this and complained to UKI about the decision, and other things. When bringing the complaint to this service, Mr K asked us to look at the complaint that UKI rejected his claim.

One of our Investigators thought UKI hadn't acted reasonably. In summary he said that some of the concerns UKI raised could be reasonably explained. The Investigator thought that even if Mr K's description of the incident wasn't as it happened, this didn't change the outcome. As Mr K had accepted fault for the incident, the Investigator thought UKI should meet Mr K's claim and pay him £400 for the distress and inconvenience caused.

Mr K accepted the Investigator's view. UKI didn't agree. It says it is absolutely relevant where the accident circumstances provided do not match the evidence. UKI says it has acted correctly and in line with the policy.

I issued a provisional decision on 6 August 2025. I didn't intend to uphold it as I thought UKI had acted reasonably. I thought the engineer evidence was persuasive enough for UKI to decide that Mr K's description of the incident didn't match.

UKI accepted my provisional decision. Mr K didn't agree. In summary he doesn't agree with the engineer's findings. He says the engineer didn't inspect a complete car as it had been partly dismantled for repair at the time of their assessment.

So the case has been passed back 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.

## **What I wrote in my provisional findings**

It isn't for us to decide whether a policyholder has acted fraudulently or not. Instead, I need to decide if UKI acted reasonably on raising the fraud condition and taking the action it has. So I've looked at the policy, what UKI has taken into account, and whether I think this was fair.

UKI's policy says;

*“ You must be honest in your dealing with us at all times*

*. We won't pay a claim that is in any way fraudulent, false or exaggerated*

*If you, any person insured under this policy, or anyone acting on your behalf attempts to deceive us, or knowingly makes a fraudulent, false or exaggerated claim:*

*. Your policy may be cancelled*

*. We may reject your claim and any subsequent claims*

*. We may keep any premium you have paid*

*What happens if we discover fraud*

*We have the right to cancel any other products you hold with us and share information about your behaviour with other organisations to prevent further fraud. We may also involve the relevant authorities who are empowered to bring criminal proceedings. If a fraudulent, false or exaggerate claim has been made under any other policy you hold with us, we may cancel this policy.”*

UKI says that the incident didn't occur as Mr K described. In summary Mr K says he approached a junction while using a sat nav at around 10pm. He says he didn't stop at the junction as he was unfamiliar with the road and he collided with another car.

Mr K said the other car was travelling at between 30-40mph.

An independent engineer examined both vehicles involved in the incident. They have provide a comprehensive and detailed report with photos and diagrams to support their opinion. The engineer reported that the damage to both vehicles doesn't show that the other vehicle was travelling when the collision occurred, but that it was stationary. This is significantly different to the account Mr K gave.

UKI arranged for Mr K to be interviewed. Mr K was accompanied by a representative. UKI highlighted other inconsistencies. It said Mr K took two days to report the incident and the places Mr K drove to and stopped at didn't match the travel time to the locations given on the night the incident occurred. I don't think these issues are enough to raise concerns with the claim. But I can understand UKI's concerns that Mr K didn't see the headlights of the other vehicle before the incident took place.

In any event, the evidence I find to be strong, compelling and persuasive in this case is that from the independent engineer who examined both vehicles. I haven't seen persuasive evidence of equal weight to contradict the findings of the engineer. UKI sent Mr K a copy of the engineer's report.

So, from all of the information available to UKI, I find there was an inconsistency in the account given by Mr K which UKI deemed to be false. So, I don't think it was unreasonable for UKI to decide the fraud condition of the policy had been breached. And having reached that conclusion, I don't think UKI acted unreasonably in rejecting Mr K's claim.

### **Mr K's response to my provisional findings**

Mr K has raised some of the complaints he asked us not to investigate when he contacted

this service. He said UKI initially accepted the claim and agreed it would settle it as a total loss. He says it was unreasonable of UKI to proceed and then reverse its decision. Based on information provided by UKI, Mr K said he had started repairs.

UKI did not uphold these complaints. From the information available, I don't find that UKI told Mr K he could begin repairs to his car. There was a period of three working days between UKI advising Mr K that it would settle his claim as a total loss and confirming a salvage payment would be deducted if Mr K wished to keep the car – and UKI advising it needed further information before it could proceed to settling Mr K's claim. I don't find this was unreasonable.

Mr K says the circumstances of the incident as the engineer described couldn't have happened at the location. Mr K says the damaged parts of the car had been removed, on the back of UKI's instruction that it was proceeding with a total loss settlement. He says the engineer's assessment is therefore flawed.

Mr K says photos taken at the incident and the recovery invoice is evidence of the location of the incident. And based on the location, the incident as described by the engineer could not have happened.

I can see that the engineer's report acknowledges that on inspection, damaged parts of Mr K's car had been removed. However, the engineer also relied on clear photos of Mr K's car showing the damage before the parts were removed. The engineer also carried out a physical inspection of the other vehicle involved. So I don't find that the fact that the damaged parts had been removed from Mr K's car means the engineer's report is flawed.

I understand Mr K doesn't agree and I have reviewed the photos and recovery invoice which had previously been provided by him. But I maintain my decision that the evidence that carries more weight is the independent engineer report, with photos, data, and examples of damage as it would show in the circumstances described, as persuasive and compelling. This means I don't think UKI acted unreasonably in relying on this evidence to reach its decision.

So my final decision is the same as my provisional decision. I don't think it was unreasonable for UKI to decide the fraud condition of the policy had been breached. And having reached that conclusion, I don't think UKI acted unreasonably in rejecting Mr K's claim.

### **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 15 September 2025.

Geraldine Newbold  
**Ombudsman**