

The complaint

Mr S complains about the way U K Insurance Limited (UKI) have handled his claim under his motor insurance policy.

What happened

Mr S's car was involved in an accident which he says wasn't his fault in July 2023. He says car park barrier lowered in error and caused damage to his car.

Mr S says he logged a claim and chased this in May and December 2024. Following a car insurance renewal quote of almost double, Mr S complained to UKI about this and the delays. He subsequently decided to cancel his policy and take out insurance elsewhere.

UKI responded and acknowledged long delays. They say they hadn't been able to contact the third-party to ensure they admitted liability and recover repair costs for the claim from the third-party insurer. They admitted long and avoidable delays and offered Mr S £500 compensation for this.

Mr S remained unhappy and brought his complaint to our service for an independent review. An investigator looked into it and thought the £500 compensation was fair for the impact caused. They reiterated that the open claim will be impacting the renewal quote and no-claims discount (NCD).

Mr S remained unhappy and 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.

Firstly, I would like to empathise with Mr S. This has now been ongoing for over two years. I believe in this time, he has not had the repair work carried out on the car and has had to chase for an update on several occasions.

I am only reviewing the case and what has happened up to the date that UKI issued their final response to Mr S in December 2024. Mr S is aware that UKI should have the information they need now from the third-party and their insurer. If he is unhappy with how they record the claim and anything that has happened following the December 2024 response, he can raise that separately.

UKI acknowledged in their final response, that the service had fallen way below the level they would expect. They acknowledged avoidable delays of approximately 18 months and Mr S having to chase them for updates and progress. Although they have reached out to the third-party without success on occasions.

They offered £500 for the impact of this and I think it is fair. I note that Mr S hadn't chased or

been in contact regularly and the amount is in line with what I would award for errors, delays and impact such as this.

Mr S is particularly concerned that this has been going on so long and has impacted his insurance premium. This is because a recorded claim is considered a 'fault claim' whilst open, until an insurer can be satisfied they can recover the claim amount from the third-party. This can also impact a NCD. This is standard industry practice and the premium can be re-rated and a potential refund due to Mr S, if the third-party accepts liability and UKI can record it as a 'non-fault' claim.

In summary, UKI are compensating Mr S fairly for the long, avoidable delays he has experienced. They have confirmed they should now be in a position to confirm how the claim will be recorded and Mr S can discuss that further with them.

My final decision

IU K Insurance Limited have already offered enough to put things right for Mr S. They should pay him the £500 compensation they have offered if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 October 2025.

Yoni Smith
Ombudsman