

The complaint

Mr G has complained about the way his motor insurer, U K Insurance Limited (UKI), dealt with a claim he made on his policy after he was involved in an accident.

What happened

In January 2027, Mr G was involved in an accident where his car was damaged after skidding on ice. Mr G made a claim on his policy and UKI arranged for the car to be taken in for repairs.

Mr G wasn't happy with the quality of the repairs. He asked for the garage to rectify them but he says this took four months as the car had to be returned to the garage twice for further rectification work. Mr G said he was also unhappy with UKI because he wanted to replace the car with a different one but wasn't allowed to and UKI wouldn't explain why. So he complained to UKI about this and about its overall service.

UKI responded to Mr G's complaint and upheld it in part. It didn't think the garage caused unnecessary delays and any delays were due to parts shortages which were outside its control. It agreed that the car had to go back to the garage twice for rectification work. It also explained that Mr G wasn't allowed to add a different car onto his policy because of the specific car's age and also Mr G's age. UKI said it wouldn't be able to reinstate Mr G's NCD or refund his excess as he requested, but it offered him £300 compensation by way of an apology.

Unhappy with UKI's response Mr G brought his complaint to our service. He still wanted his no claims discount (NCD) to be reinstated and to be reimbursed some of his excess and didn't consider the £300 compensation offered to be sufficient.

One of our investigators reviewed the complaint and thought UKI's £300 offer was fair and reasonable and that it didn't have to take further action.

Mr G didn't agree and asked for an ombudsman's decision. So the matter was 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.

Mr G was unhappy with the quality of the repairs and the fact that it took months for his car to be repaired. From what I can see the car went in for repairs on 14 January 2025, a week after the accident, and it was estimated that it would be ready by 11 February 2025. Mr G

was provided with a hire car over that period. The car was returned on 14 February 2025 but was rejected by Mr G who said there were outstanding issues including poor paintwork and issues with the lights. The car was returned again on 21 February 2025 but a few days later Mr G reported outstanding issues with the lights, and said that the car was returned without fuel. UKI said it offered Mr G £50 for the fuel -which he rejected- and arranged for a mechanic to inspect the car. Collection was arranged for 13 March 2025 and the car was returned on 9 April 2025.

I appreciate that this was a very frustrating situation for Mr G especially as the car had to go back for rectification work not once, but twice. I think compensation is warranted for the distress and also the inconvenience this would have caused Mr G. Nevertheless, Mr G has told us he was provided with a hire car during the repairs which would have lessened the inconvenience he experienced, though I appreciate it isn't quite the same as having his own car back. And I also note that UKI was quick to act once Mr G pointed out that the car needed rectification work and arranged for the car to be taken back by the garage.

I also note Mr G was also unhappy with UKI not explaining why he couldn't replace his car with another specific car. UKI accepts that the handler Mr G spoke to failed to make further enquiries with another team to give Mr G the reason for this. In its final response letter it explained the reason was due to Mr G's and the car's age. I think Mr G not being given any reason as to why UKI couldn't insure that particular car would have been frustrating but I note that it did provide an explanation when it responded to the complaint which I think is fair and reasonable. For completeness, I will add that I asked UKI for its underwriting criteria to confirm that this was outside its risk tolerance and I am satisfied that the decision not to add the car was in line with its criteria. Unfortunately, I can't share this criteria with Mr G as it includes confidential, business sensitive information but I hope it will give him some comfort to know that I have considered it.

Overall, for the reasons above I think UKI caused Mr G distress and inconvenience by its actions. But I think its offer of £300 is, in the circumstances, fair and reasonable and in line with awards we would make in similar situations.

I note Mr G wanted his NCD reinstated but this isn't something I have decided to ask UKI to do as this was a fault claim, meaning there was no third party from which UKI could recover its outlay from so that the NCD could be reinstated. And I also didn't think UKI had to refund Mr G's excess as this is something he is required to pay under the terms of the policy.

I appreciate Mr G will be disappointed with my decision and I know how unhappy he was with UKI's service and handling of the claim. But for the reasons I gave above, I don't think UKI needs to take further action and I think the offer it has made to Mr G is fair and reasonable.

My final decision

U K Insurance Limited has already made an offer to pay £300 to settle the complaint and I think this offer is fair in all the circumstances. So my decision is that U K Insurance Limited should pay Mr G £300 if it hasn't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or

reject my decision before 29 December 2025.

Anastasia Serdari
Ombudsman