

The complaint

Miss R and her husband Mr S complain that U K Insurance Limited trading as Churchill ("UKI") mishandled her claim on her motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a car, first registered in 2016.

Miss R acquired the car in 2020.

For the year from mid-July 2022, Miss R had the car insured on a comprehensive policy with UKI. The policy covered her as policyholder and Mr S as a named driver. Any claim for damage (except a windscreen claim) was subject to an excess of £950.00.

Unfortunately, Miss R and Mr S reported that in August 2022, a third party had accidentally damaged the car. UKI made an outlay on the claim.

By August 2024, Miss R and Mr S had complained to UKI about delays in resolving the issue of liability. By a final response dated 2 August 2024, UKI accepted that it had been responsible for delay. UKI sent a cheque for £200.00 compensation.

By November 2024, UKI had instructed solicitors to recover its outlay.

On about 31 December 2024, the solicitors told UKI that it had recovered 50% of its outlay from the third party's insurer.

By early February 2025, six months had passed since the final response dated 2 August 2024 without Miss R and Mr S bringing the complaint to us.

On about 6 March 2025, solicitors told UKI that it and the third party's insurer had settled the claim with liability split 50/50.

UKI told Miss R and Mr S that it had settled the claim 50/50. They replied that they shouldn't be held at fault.

On about 28 February 2025, UKI sent Miss R and Mr S a cheque to refund 50% of the excess. It sent the cheque to the wrong address.

The solicitors told UKI that they were still pursuing its outlay in full. UKI told Miss R that it was still pursuing its outlay in full.

Miss R and Mr S complained to UKI that it had sent the cheque to the wrong address.

By a final response dated 17 March 2025, UKI accepted the complaint that it had sent the cheque to the wrong address. UKI sent a cheque for £150.00 as compensation.

Miss R and Mr S complained to UKI that it was responsible for delay in refunding the excess.

Miss R and Mr S also complained to the solicitors, who provided a response in April 2025.

On about 13 May 2025, the solicitors told UKI that it had been able to recover 100% of its outlay from the third party's insurer.

By a final response dated 27 May 2025, UKI accepted that it had been responsible for delay in the refund. UKI sent a cheque for £100.00 compensation.

On about 28 May 2025, UKI refunded the other 50% of the excess.

Miss R and Mr S brought their complaint to us in late May 2025. Miss R and Mr S complained that UKI had been responsible for misinformation, delay in refunding the excess and inability to pay by BACS.

By a final response dated 10 June 2025, UKI accepted the complaint about delay in refunding the excess. UKI said it had sent a cheque for £300.00 compensation.

Our investigator didn't review the complaint that led to the final response dated 2 August 2024 because the matter wasn't referred to our service within six months of that date.

Our investigator didn't review the complaint against the solicitors because it was within the jurisdiction of the Legall Services Ombudsman.

Our investigator didn't recommend that the other points of complaint should be upheld. He thought that since March 2025, UKI had awarded £550.00 compensation and that this was in line with what our service would expect.

Miss R and Mr S disagreed with the investigator's opinion. They asked for an ombudsman to review the complaint. He says, in summary, that:

- UKI's delay deprived him of his funds for several months.
- UKI sending the cheque to the wrong address caused him to incur £100.00 in costs to retrieve the cheque. It also caused him inconvenience and distress. The £150.00 payment did not adequately reflect the wider impact.
- The lack of updates caused uncertainty, and he had to make repeated efforts to chase for progress.
- £550.00 isn't enough in line with our published approach for the significant and prolonged impact of disruption, distress and inconvenience (for the period after 2 August 2024).
- UKI's systems included restrictions on payment by BACS so he was forced to receive funds by cheque only. This caused avoidable delays and inconvenience in accessing money that was rightfully his.
- The delay in updating CUE after May 2025 caused risk of inflated premiums when seeking new cover.

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.

I don't consider that Miss R and Mr S have asked us to review the investigator's opinion that we can't investigate the complaint that led to the final response dated 2 August 2024 or the complaint about the solicitors.

In any event, I agree that the complaint that led to the final response dated 2 August 2024 was brought to us too late.

Also I find it likely that UKI instructed the solicitors to recover its outlay and Miss R instructed the solicitors to recover the excess, which was her uninsured loss. And she complained to the solicitors about that. So the complaint about the solicitors is not within our jurisdiction.

Mr S says that UKI sending the cheque to the wrong address caused him a cost of £100.00 to retrieve it. I don't find it fair and reasonable to direct UKI to pay further compensation for that for the following reasons:

- Mr S hasn't given enough detail or evidence of such a cost.
- Mr S could surely have found a cheaper way of getting the payment.
- UKI paid compensation of £150.00 on about 17 March 2025 and I consider that fair.

Mr S says that UKI was unable to pay him by BACS. However, I don't find it fair and reasonable to direct UKI to pay compensation for that for the following reasons:

- Mr S wasn't the policyholder.
- UKI tried to make payment by BACS but couldn't validate Mr S's bank details.
- UKI paid by cheque.

Mr S says that UKI was responsible for delay in amending the record of the claim to non-fault. However, I don't find it fair and reasonable to direct UKI to pay compensation for that for the following reasons:

- I'm satisfied that UKI updated Claims Underwriting Exchange ("CUE").
- UKI is not responsible for delay by credit reference agencies in reflecting the CUE information.
- Mr S has mentioned only a potential financial detriment. He hasn't provided enough detail or evidence that he or Miss R suffered actual detriment in the cost of insurance from her renewal date, probably in July 2025.

Overall, Mr S says that UKI was responsible for causing him the significant and prolonged impact of disruption, distress and inconvenience.

I don't under-estimate the distress and inconvenience Miss R and Mr S suffered in connection with this claim.

However, I don't find it fair and reasonable to direct UKI to pay further compensation for that for the following reasons:

- I can't include the impact of delay before the complaint in August 2024.
- I can't include the impact of mishandling by the solicitors of recovery of Miss R's excess.
- The balance of the impact (including delay in payment and including distress and inconvenience) is, I conclude, sufficiently compensated by UKI's payments totaling £550.00.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct U K Insurance Limited trading as Churchill to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R and Mr S to accept or reject my decision before 5 December 2025.

Christopher Gilbert

Ombudsman