

The complaint

Mr and Mrs H complain that U K Insurance Limited (UKI) overcharged them for their home insurance policy. They have also raised concerns about poor communication and customer service.

Mr and Mrs H are joint policyholders, but most of the communication regarding the complaint has been from Mr H. So, I'll refer mainly to him in my decision.

What happened

In November 2023, Mr H phoned UKI to discuss his home insurance renewal. He was happy with the level of cover but wanted to see if the premium could be reduced. The agent said she could offer him a price that was around £60 lower than the premium he'd been quoted in his renewal documents. Mr H decided to go ahead with the renewal at the reduced price.

After he received the 2024 renewal documents, Mr H decided to move to a different insurer because he thought the price of the UKI policy was too high. But, shortly after taking out his new policy, Mr H had some concerns about the cover his new insurer was offering. So, he considered coming back to UKI.

While reviewing the UKI insurance documents, Mr H noticed that the cover he'd been provided with for the 2023/24 year was at a lower level than what was showing on the 2023 renewal invitation. When Mr H called UKI to query this, he was told his cover had been reduced from home insurance plus to standard cover when he'd phoned in November 2023. The agent said he would arrange for the call to be listened to and would be back in touch with Mr H. He also agreed to send Mr H a recording of the call.

Mr H didn't hear back from UKI, so he raised a complaint. He said he was now outside the cooling off period under his new policy so he would incur a cancellation fee if he was to cancel that and return to UKI. He also raised a query about how UKI treats its claim free years and allows a discount.

UKI said the cover on Mr H's policy from November 2023 to November 2024 was its standard policy. It apologised for changing the level of cover without Mr H's permission. It said the policy in 2023 should have renewed as a home insurance plus policy. As this change was UKI's error, it would have looked to cover any claims based on the cover Mr H should have had in place.

UKI said the information Mr H had been given about the claim free years on his policy was correct. His claim free years dropped to three years because of a claim he'd made in December 2019.

Mr H remained unhappy and referred his complaint to the Financial Ombudsman Service.

UKI then said it would like to offer Mr H £100 for the upset its poor service had caused. Our investigator asked Mr H if he wanted to accept UKI's offer to resolve the complaint. But Mr H said he did not wish to accept it because it failed to deal substantively with some of the grounds for his complaint.

After looking into Mr H's concerns, our investigator concluded that UKI's offer of £100 was fair, but Mr H disagreed. He said there was no certainty UKI would have honoured a claim if he'd made one. UKI had charged him for the higher cover while providing the lower level of cover without permission. He felt UKI's failure to provide him with call recordings he'd asked for should also be factored into the compensation due to him. He said the advice UKI had given him about claim free years was changeable. He'd also been caused additional hassle because of the unclear information about claim free years on UKI's documents. 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 reached broadly the same conclusions as our investigator. I'll explain why.

I've considered everything Mr H has told our service, but I'll be keeping my findings to what I believe to be the crux of his complaint. I wish to reassure Mr H I've read and considered everything he's 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.

Change in cover

I've reviewed the renewal documents UKI sent to Mr H in October 2023. These refer to "*UKI Home Insurance Plus*" and quote a total premium of £443.52.

I've listened to the call between Mr H and UKI which took place shortly before the renewal date. Mr H asked the agent if she could do anything to reduce the premium. The agent said the best possible price she could give was £380.80. Mr H accepted this, and the policy was renewed on that basis.

The policy documents issued the day after the call show the total premium of £380.80. However, these were for "*UKI Home Insurance*" rather than "*UKI Home Insurance Plus*". When comparing the schedule with the one Mr H was sent in October 2023, I can see that the sum insured for certain sections was reduced.

Mr H says he didn't realise that the level of cover had been reduced until over a year later, when he was reviewing his renewal documents. He telephoned UKI in late November 2024 to query this. He was told that the level of cover had been reduced when he'd called in November 2023. Mr H said he didn't remember asking for the cover to be reduced. The agent said UKI would only switch the cover at the customer's request. But he couldn't find any notes. He said he would arrange for the call to be listened to and would be back in touch with Mr H, but Mr H says he wasn't called back.

In its response to Mr H's complaint, UKI acknowledged a mistake was made in the November 2023 call. The agent had switched the cover from plus to standard without Mr H's permission. UKI said it would have looked to cover any claims based on the cover he should have had in place.

Mr H has commented that he had no way of verifying this and this unauthorised reduction in cover may have added to the stress of an already stressful situation if a claim had been

necessary. While I appreciate his point, I can only consider the actual impact of UKI's mistakes on Mr H, not the potential impact.

I understand Mr H is concerned that he might have paid for higher cover than he received. However, UKI has provided screenshots which show that the premium for the standard cover was £380.80 – which is what Mr H paid. The premium for the higher cover was the amount he was initially quoted - £443.52. So, I'm not persuaded Mr H was overcharged.

While I don't believe Mr H was overcharged for the standard policy, he was led to believe that he was getting the plus cover for a lower price than he'd originally been quoted. This meant Mr H was under the impression he'd managed to negotiate a lower price, when in fact his cover had been reduced. This was no doubt frustrating for him and caused him some inconvenience as he needed to look into what had happened. So, I've considered the impact of this on Mr H in my assessment of the overall compensation I think UKI should pay to put things right.

Claim free years

In his complaint to UKI, Mr H made some comments about how UKI treats its claim free years. He said at the 2024 renewal the schedule said there were 9 years claim free for buildings and 7 years for contents. He'd queried it with UKI in a call in November 2024 because the previous year's renewal said 9 years for buildings and 6 years for contents. He thought both should increase by the same increment because there were no claims in the interim. He also wasn't comfortable that the document said "7 years claim free", when he'd made a contents claim in December 2019.

Mr H says he was told that the information was correct. 9 years was the maximum for buildings. The reason contents was showing as 7 years was because claim free years had been stepped back to 3 years when he made his claim.

Mr H said he wasn't entirely convinced by what he'd been told and thought it was less than entirely clear. He said the other knock-on effect was that he'd used the 7 years claim free as the basis for obtaining competing quotes. But when he'd called his new insurer, he found that they treated this information differently and he only had 4 years claim free. This led to his premium being increase by around £35.

UKI says Mr H was given the correct information about his claim free years over the phone. And from what I can see, I think he was. It's not uncommon for an insurer to use a step back procedure for no claims discounts when a policyholder makes a claim. This is a common feature in most insurance policies we've seen. However, it's important that clear information is provided to policyholders to help them understand how this procedure works.

I'm not satisfied this information was made clear to Mr H in the policy documents. But this only became an issue for him when he found out he'd provided inaccurate information to the new insurer. This led to him having to make some phone calls to get this rectified and he had to pay a slightly higher premium. I acknowledge Mr H's point that there might have been a greater impact if this hadn't been rectified and he had gone on to make a claim. But as previously explained, I can't look at what might have happened. So, on that basis, I've considered the actual impact and the duration of this on Mr H in my overall assessment.

Customer service

Mr H has raised some other concerns about the service he received from UKI.

I understand UKI didn't send him the call recordings he'd asked for. I agree that UKI's responses to his complaint didn't fully address the issues he'd raised. I also note there were a couple of typing errors in them. So, I've also considered these matters when thinking about an award for compensation.

Distress and Inconvenience

I've considered the impact of UKI's errors and poor communication on Mr H. I think the levels of frustration and annoyance he was caused were above what he might reasonably expect from day-to-day life. However, I think the £100 UKI has offered Mr H reasonably recognises the impact of its poor service on him. So, I'm not persuaded to award any additional compensation.

Putting things right

UKI should pay Mr and Mrs H £100 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mr and Mrs H's complaint and direct U K Insurance Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 10 October 2025.

Anne Muscroft
Ombudsman