

The complaint

Mr H complains U K Insurance Limited trading as Churchill Insurance policies (UKI) has unfairly handled a claim under his motor insurance policy.

What happened

Mr H had a collision in January 2025 and raised a claim under his motor insurance policy, underwritten by UKI.

UKI offered Mr H a courtesy car through its authorised agent, but he declined as he was undecided about continuing with the claim. Mr H subsequently arranged his own hire car at a cost of £200 per day and private storage of the vehicle at a total cost of £1,600. He submitted invoices to UKI and asked it to settle the costs.

UKI initially offered to settle the claim as a total loss for the sum of £9,845, taking into account a reduction for pre-existing damage and because the vehicle had previously been categorised as a total loss. UKI also offered to reimburse Mr H some of the costs he incurred for the hire car he had arranged, up to £80 per day, and consider the costs associated with the storage once it had reviewed supporting evidence.

In April 2025, UKI wrote to Mr H to inform him that it wouldn't be covering the claim. It said that it wasn't satisfied with the evidence and information Mr H had provided and it referred to its fraud terms within the policy conditions. It asked Mr H to provide additional information in support of the costs he had incurred due to the claim.

Unhappy with the outcome of his claim, and the way it had been handled, Mr H complained. To date, UKI hasn't issued a final response letter. But as eight weeks passed following the complaint notification, Mr H referred his complaint to this Service.

Our Investigator didn't uphold the complaint. They concluded that while UKI hadn't shown its offer in response to the total loss claim was fair, this had been withdrawn because it had genuine questions about the wider claim costs Mr H said he incurred. And the Investigator was satisfied UKI could validate these costs and losses before settling the claim.

Mr H disagreed and said, in summary, he provided UKI with all the information it needed to consider and respond to the claim. He said that in response to UKI's questions about his claim, UKI could have arranged to visit the storage facility to resolve any questions it had, and that he cooperated with UKI's investigation into his claim.

As the case remains unresolved, it 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 won't be upholding Mr H's complaint. I'll now explain why.

I appreciate my summary of Mr H's complaint is brief, however I'd like to assure him that I have considered all the evidence and information he has provided in support of this complaint. My decision may not comment on each issue raised but instead will comment on the issues I consider to be key. This isn't intended as a courtesy, but reflects the informal nature of our Service, and the rules that our Service must abide by enable me to do this.

Mr H is unhappy with UKI's offer in response to the total loss of his vehicle and the costs associated with the hire car and vehicle storage he arranged. I'd initially like to explain that while I appreciate these issues are important to Mr H, these haven't been settled in light of the ongoing claim investigations and the questions it has put to Mr H which remain unresolved.

I won't be making a finding on these issues, as they remain outstanding and UKI may amend its offer if it is later in a position to settle the claim. Should Mr H be unhappy with any future offer, he would be entitled to raise a new complaint to UKI about this and refer it to this Service should he choose to do so.

Instead, I have gone on to decide whether UKI has acted fairly and reasonably in not agreeing to pay the claim at this time.

It isn't for this Service to decide whether a policyholder has acted fraudulently or not. Instead, I need to decide whether UKI has acted fairly and reasonably in referring to the fraud terms and taking the action that it has. So, I've reviewed the policy terms which UKI has relied on, alongside the other supporting claim information, to decide whether UKI has acted fairly.

UKI's policy terms say that it won't pay a claim if it deems it to be in any way fraudulent, false or exaggerated. And this could also lead to the policy being cancelled, any further claims being declined, and retention of the premium paid.

In support of his claim, Mr H provided UKI with an invoice for £1,600 for storage of his vehicle while it was awaiting inspection from one of its engineers. When attempting to validate the invoice, UKI found a number of inconsistencies. In particular:

- the invoice couldn't be validated as the address provided didn't appear to correspond to any such facility.
- the contact number and email address that appear on the invoice don't correspond to genuine contact details as the telephone number does not connect, and the email address bounces back.
- the storage company has no visible presence and does not appear on companies' house, google searches or social media sites.
- Mr H described the location of the storage company via google maps but despite UKI's attempts to locate it, it was unable to establish any contact.
- UKI requested contact details of the storage unit from Mr H to enable it to verify the invoice. And despite the storage unit being five minutes from Mr H's home address and his agreement to go to the unit and provide those details, Mr H has not provided UKI with any additional information to validate the genuine nature of the invoice.
- Mr H advised UKI that he had used the storage company because of a contact through his friend but UKI were of the view that Mr H was either unwilling or unable to provide the storage unit contact details.

UKI asked Mr H for his comments in response to these points in April 2025. Mr H replied, confirming that the business was a sole trader and this is why it didn't show on companies' house, but didn't provide any other new evidence or information to address its concerns. UKI provided Mr H a further opportunity to present additional information in May 2025 and asked Mr H to provide evidence to support the payment he had made. UKI hasn't received anything further to address its concerns.

It is a fundamental principle of insurance that it is for a claimant to demonstrate they have an insured loss in line with the terms of the policy. And UKI is entitled to validate these costs to ensure they are accurate and meet the terms of the policy. So, I'm satisfied it is fair for UKI to request further information from Mr H before it considers the claim any further as at this stage, it hasn't been able to confirm the invoice with the storage supplier.

I accept that not all companies will show on companies' house depending on its own individual structure. But having completed my own checks into the storage company Mr H has used, I have also been unable to find the necessary information to support the validity of the storage company used. So, I don't find it unreasonable that UKI ceases its claim investigation until such time Mr H can provide sufficient supporting evidence of his costs. And so, I'm satisfied that UKI hasn't acted unfairly in referring to the fraud terms as at this stage, it can't rule out that the costs claimed for are false or exaggerated. However, should Mr H have any further evidence in support of his claim and the losses he incurred, he can provide these to UKI for its consideration.

I've also considered the overall handling of Mr H's claim. I recognise that Mr H feels he has been treated unfairly. UKI has a duty to progress claims promptly and fairly, but insurance claims are rarely straightforward – as they can involve a number of different parties, as well as evidence gathering and consideration. But UKI should prevent any unnecessary or avoidable delays. I'm satisfied UKI has progressed the claim in a reasonable way, and I haven't seen any evidence of avoidable delays. So, I don't require it to take any further action with respect to this.

My final decision

For the reasons I have explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 December 2025.

Oliver Collins
Ombudsman