

## **The complaint**

Mr C complains about how U K Insurance Limited trading as Darwin (UKI) handled a claim made on his motor insurance policy.

## **What happened**

Mr C was involved in a non-fault accident in May 2024 and reported a claim under his motor insurance policy with UKI. Mr C provided UKI with a witness' details as well as images and video of the third party's car at the time of the accident. Mr C raised a complaint as he was unhappy with UKI's lack of communication about the progress of his claim. In its response of 11 June 2025, UKI accepted it didn't progress the claim as it should've. To apologise for its poor claim handling, UKI offered Mr C £350 compensation.

In July 2025 UKI informed Mr C that its legal team had closed its file due to there being no prospect of a successful recovery of costs. Unhappy, Mr C raised a second complaint which UKI responded to on 30 July 2025. In its response, UKI accepted it failed to contact the witness for a statement or forward the evidence Mr C had provided in support of his claim to the third party's insurer. To put things right, UKI offered an additional £150, bringing the total compensation offer to £500. UKI said the claim was logged as non-fault and the No Claims Discount (NCD) was allowed and that this had been confirmed to Mr C in its email of 31 May 2024. UKI also said it'd manually refund Mr C's excess in the event of the claim cost recovery being abandoned.

Unhappy with UKI's response, Mr C brought his complaint to our Service. Our Investigator thought UKI's compensation offer of £500 was enough to resolve the complaint. Mr C disagreed. He said UKI's offer was inadequate for the distress and inconvenience he experienced due to UKI's failings. Mr C requested a prompt excess refund and written assurance his future premiums won't be affected by the claim. As the complaint couldn't be resolved, it was passed to me for decision.

## **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'm aware I've set out the background to this complaint in less detail than the parties have presented it. I'm not going to respond to every single point raised. Instead, I've focused on what I find are the key issues here. I assure both parties, however, that I've read and considered everything they've provided.

### The scope of my decision

As the Investigator has already mentioned, this Service can only consider UKI's actions up to the last final response letter dated 30 July 2025 and that's what I'm considering. If Mr C is unhappy with what's happened after that date, for example with the recovery process of his consequential losses and issues with his Subject Access Request, then he'll need to raise a new complaint.

As these issues weren't part of Mr C's original complaints, I can't address them here. That's because under our rules UKI has to be given the opportunity to resolve matters first before we can consider them. It's open to Mr C to raise a new complaint with us if he isn't happy with UKI's response to his concerns.

### UKI's handling of the claim

The relevant rules and industry guidelines say UKI has a responsibility to handle claims promptly and fairly and provide appropriate information on their progress. So, I've considered the relevant rules and the available evidence, to decide whether I think UKI treated Mr C fairly and reasonably.

It's not disputed that UKI failed to manage Mr C's claim properly. UKI has offered a total of £500 compensation to apologise for the delays and lack of updates. The dispute now relates to what amount of compensation UKI needs to pay in recognition of its poor service, and the impact on Mr C.

I'm mindful that making a motor insurance claim can cause distress and inconvenience, even when things go as they should. But it's clear that UKI failed to proactively manage the claim and that this led to undue distress and inconvenience being caused to Mr C. I think the £500 already offered is in line with what we'd usually direct in circumstances where there has been clear poor service over a lengthy time period, which has caused considerable distress, upset and worry.

All things considered, I'm persuaded £500 is fair and reasonable compensation for the poor handling of Mr C's claim, and the impact on him. This amount recognises the poor service caused by UKI over many months, and its lack of proactive claim management which caused avoidable delays. As Mr C has already received the £500 compensation, I won't be directing UKI to do anymore here.

### Excess

Mr C has requested that UKI refund his excess promptly. But the excess is generally always payable when a claim on a motor policy is made, irrespective of who is at fault. It's a cost Mr C agreed to pay when he bought his policy, in the event of a claim. And the policy is clear that UKI will not cover this cost. For this reason, the excess is classed as an uninsured loss.

UKI said it would manually refund Mr C's excess in the event of the claim cost recovery being abandoned. I think it's fair that UKI has offered to do that. But that's a discretionary decision and not something UKI is required to do for the reasons I've explained above. So, I won't be requiring UKI to do anything differently here.

### Premiums

Mr C has requested written assurance that his future premiums won't be affected. In its final response of July 2025, UKI did confirm Mr C's claim was logged as non-fault with the NCD allowed and that:

"This means that when getting insurance, be that with us or other insurance companies, the insurance premium would be generated based on the claim being a non-fault claim rather than a claim against the policy."

So, I'm satisfied UKI assured Mr C that his premiums would be calculated based on the claim being a non-fault claim. I appreciate Mr C's worry about his future premiums increasing. But it's normal for premium costs to rise following a claim being made. There are

many factors which influence the cost of an insurance policy, with the claims history of the policyholder being one of them. So, I won't ask UKI to do anything about this aspect of Mr C's complaint.

### **My final decision**

For the reasons provided, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 December 2025.

Linda Tare  
**Ombudsman**