

## The complaint

Mr B complains that UK Insurance Limited ('UKI') – trading as Churchill Insurance – unfairly cancelled his motor insurance.

## What happened

Mr B had a motor insurance policy, underwritten by UKI and originally taken out in August 2022. In October 2024, he was stopped by the police for driving without insurance. He said he was unaware of this as he believed his UKI policy *"was still active."*

He said, in summary:

- UKI didn't tell him it had cancelled his policy.
- The only communication he received from UKI was a single text message that told him he could find his policy renewal documents in his online account.
- He didn't access this until after he'd been stopped by police.
- He then found UKI's letter saying it would no longer insure him.

UKI explained that:

- The policy documents confirmed the policy would end on 31 July 2024.
- Mr B had set his 'communication preference' to his online account.
- It contacted him by SMS and email and asked him to check his account.
- His account contained a 14 July letter that said it wouldn't be renewing his policy.

Mr B didn't accept this and brought his complaint to this service. He's unhappy UKI cancelled his policy without reason and without notice. He told us the incident caused him severe distress. He also said the cancellation had made it difficult to get insurance.

Our investigator didn't recommend that the complaint should be upheld. He explained that it was Mr B's responsibility to make sure his vehicle was insured. He was satisfied that UKI had taken reasonable steps to contact Mr B and had asked him to review his online account. If he'd done this, he'd have found UKI's letter explaining that his policy wouldn't be renewed. He didn't think UKI had acted unfairly.

Mr B didn't accept this, so the complaint was passed to me.

## My provisional decision

I issued a provisional decision on this complaint on 24 September 2025. I explained that I intended to uphold the complaint for the reasons below.

- *"Generally, we'd agree that it's a customer's responsibility to make sure they have appropriate insurance in place.*
- *We'd also expect an insurer to take reasonable steps to tell a policyholder that their insurance is ending and give policyholders enough time for them to find alternative*

cover. Most insurers give around 28 days' notice if they're not going to renew a policy.

- This is particularly important for motor insurance policies given the legal requirement to have this and the implications if a consumer is stopped by the police or has an accident while uninsured.
- So I'd expect UKI to clearly explain to Mr B that his policy wasn't going to renew automatically, that he needed to seek alternative cover, and what date his cover would end.
- The August 2023 policy documents show this was an annual policy due to end on 31 July 2024.
- However, Mr B had chosen to automatically renew his insurance. That's clearly stated on page 4 of the August 2023 policy documents: "You've asked us to automatically renew your policy using your current payment details. This means that when your policy comes up for renewal you'll be continuously covered, including your add-ons." Mr B told us he chooses policies that automatically renew and didn't access his online documents.
- The same section of the policy documents also says: "We'll send your renewal pack about 21 days before your renewal date. This will include your new premium and terms. **If we can't renew your policy, or if we need to talk to you before we can renew your policy, we'll let you know.**" [my emphasis]
- UKI provided evidence that it wrote to Mr B via SMS (text message) and email in July 2024. The SMS was sent to the mobile number it held for Mr B; the email was the same as the email address used by Mr B to contact this service. Mr B says he only received the SMS and has no record of the email.
- The SMS said: "We've sent you an update about your car insurance renewal for [vehicle registration] to your [online account]. Log in at [account] to find your latest documents." The email said: "We're sorry we can't continue with policy [sic]. Thank you for being with us" and referred him to his online account. The letter in his online account said the same as the email.
- I don't think UKI's communication was good enough. I don't think any of these messages explained that Mr B's policy wasn't being renewed, that he needed to find alternative cover, or when the policy would end. In fact, I think the SMS could easily be interpreted as exactly the opposite. I think it suggests Mr B's renewal documents were in his account.
- The email and letter both say "we can't continue with policy" and give no further details. I find it hard to believe that was an authorised or approved text. I understand why Mr B described it as "a mail merge document that has gone wrong."
- Mr B told us he'd checked his emails thoroughly and has no record of ever receiving UKI's email. I acknowledge this but I don't think I need to consider this further because I don't think it affects my decision.
- I think the possibility that a policyholder might miss one of two notifications makes it even more important that all of UKI's correspondence was clear. As I said above, I don't think it was in this case. For example, I might reasonably have expected UKI to tell Mr B 'Your policy will end on [date]' or similar and direct him to his online account for further information.
- I'd also expect an insurer to write to the policyholder once the policy had lapsed to confirm they were no longer covered. UKI's records show it only sent Mr B the SMS and

*email. It didn't send a follow-up letter or email confirming the policy had lapsed.*

- I think UKI could have written to Mr B earlier than it did. The August 2023 documents said it would contact him 21 days before renewal and – as I mentioned above – I think most insurers might give a policyholder 28 days' notice if they weren't going to renew cover. I understand why Mr B reacted the way he did when he received the SMS quoted above just two weeks before renewal.*
- I think it's important to note that UKI wasn't cancelling the policy – instead, it decided not to renew it. That's a different situation with different obligations on UKI. For example, page 40 of the policy booklet says "We'll only cancel the policy if we have valid reasons for doing so", and indicates it will explain the reason for this.*
- However, UKI told us it didn't renew Mr B's policy for underwriting reasons. The risk of insuring a vehicle is UKI's to take on, so it's right that it – like any insurer – can decide how it assesses this. I don't think it had to give Mr B more detailed explanation for not renewing his policy or offer him the chance to appeal this.*
- Finally, UKI said Mr B should have noticed that his premium wasn't taken from his bank account. I think that's a fair point. However, UKI takes Mr B's premium in a single payment from payment details it already holds. I think it's possible he didn't notice that this payment hadn't left his account. He wouldn't expect to see a monthly premium on his bank statement so I understand why he might not notice the missed payment.*

*For the reasons above, I don't think UKI's communication about not renewing Mr B's policy was fair or reasonable. This meant Mr B didn't realise his policy had lapsed, and he was driving uninsured for over two months before he was stopped by police."*

I explained in my provisional decision how I thought UKI should put things right. I said:

*"In the circumstances here, I'd expect UKI to:*

- Write a letter of indemnity to Mr B to help him defend or appeal any prosecution for driving without insurance.*
- This letter should also confirm cover for Mr B from August 2024 until he was insured.*
- If Mr B has already been prosecuted – which I understand to be the case – I might ask UKI to pay compensation for the extra costs he has incurred (for example, storage/impound charges, fines, increased insurance premiums), plus interest. I'd be grateful if Mr B sets out the costs he incurred when he replies to my provisional decision."*

Finally, I explained that I thought UKI should compensate Mr B for the distress this matter has caused him:

*"...Mr B has told us about the strain this has put on him and the particular difficulties and stresses this has caused given his personal circumstances. I understand how hard this would have been for him and his family and he has my sympathy. I think UKI should compensate him for this, in addition to the remedies I've set out above.*

*I've thought about the level of award this service makes in similar circumstances. Having done so, I think UKI should pay him £500 – in addition to any costs above – to reflect the distress and inconvenience this matter caused him."*

## **Responses to my provisional decision**

UKI didn't accept my provisional decision. It said:

- Mr B set his own communication preferences and received the SMS.
- It communicated to him by more than one method.
- Changing the SMS wording as I suggested would "*increase the complexity*" of what it needed to send and "*might lead to misunderstanding.*"
- Referring the policyholder to their online account removes any doubt about what they need to do.
- The SMS can't be interpreted in any other way other than "*check your portal to read your latest documents*".
- It was Mr B's responsibility to check his account and make sure he had cover. He assumed his policy had been renewed which was his error.
- It's satisfied it took the required steps to inform Mr B via his preferred communication preferences.

Mr B accepted my provisional decision and provided more information about the costs he'd incurred. He said:

- He paid £92.21 for emergency cover when he was stopped by police to be able to drive home.
- He bought a new motor insurance policy in October 2024. This cost him an additional £604.85.
- He was fined £300 and given six penalty points by the court.
- In January 2025, his new insurer charged him an additional premium following his conviction. This cost him an extra £333.98.
- After his conviction, he bought specialist third-party, fire and theft cover because he couldn't afford comprehensive cover.
- His most recent policy (September 2025) cost £1,312.27. Again, this was third-party fire and theft cover only.
- He asked that UKI refund the extra cost of cover for future years if he's unable to overturn his conviction.
- He's currently preparing an application to the court to reopen and set aside his conviction under section 142 of the Magistrates Courts Act 1980. He stressed the urgency of UKI providing the letter of indemnity.
- He provided evidence of the above costs.

### **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 understand UKI's arguments, however I'm satisfied that I've already considered them. As I said in my provisional decision, I accept the general point that a consumer is responsible for making sure they have appropriate insurance in place.

However, in this case I don't think UKI adequately explained that Mr B's policy wasn't being renewed, that he needed to find alternative cover, or when the policy would end. This is vital for motor insurance policies given the legal requirement to have this cover and the implications if a consumer is stopped by the police, as happened here.

I appreciate what UKI says about changing its SMS wording, however I don't agree that its communications to Mr B were clear and I'm surprised UKI thinks they were. The SMS told

Mr B he could “*find [his] latest documents*” in his online account. Given Mr B had chosen to automatically renew the policy and the SMS was sent to him just two weeks before renewal, I don’t think this was clear. I understand why he might have thought the reference to “*latest documents*” was a notification about new policy documents rather than a message that UKI was ending cover.

The email – which Mr B says he didn’t receive – simply says “*We’re sorry we can’t continue with policy*” and offered no other details. This is, at best, incredibly poor writing and I’d be surprised if it’s UKI’s standard or approved text. On balance, I find it more likely than not that he didn’t receive this email. If he had, I think he’d have taken action.

Finally, UKI didn’t send Mr B any communication confirming his policy had lapsed. If it had done so, my decision would likely have been different.

For the reasons I set out in my provisional decision, I don’t think UKI acted fairly or reasonably. This led to Mr B believing his policy had automatically renewed. The police later stopped him for driving without insurance and he was prosecuted for this offence.

I’ve reviewed Mr B’s costs. This shows:

- He paid £92.21 for emergency cover when he was stopped by police. I think UKI should refund this, plus interest.
- He added his car to a relative’s existing policy in October 2024.
- The cost of doing this was £604.85 to the end of the policy year in September 2025.
- He had to pay an extra £333.98 in January 2025 for cover to September 2025, after he told his new insurer about his conviction.
- This means his insurance for the period 21 October 2024 to 20 September 2025 cost £938.83.

So I think Mr B paid £142.32 more for his insurance between October 2024 and September 2025 (excluding the emergency cover) than he paid in the 2023/24 policy year (£796.51). I’m conscious this isn’t a like-for-like comparison: the level of cover was different and was for 11 months rather than a full year. I also recognise that this reduced cover would also have caused Mr B concern. However, I’m trying to work out if he paid more than he otherwise would have done because of his conviction. In other words, has he suffered financial loss? I think he has and UKI should refund this additional cost, plus interest.

I understand why Mr B has asked UKI to refund his fine and part of his future premiums. But I think this will be dependent on the outcome of his appeal. If his appeal is successful, I think the court will likely refund the £300 fine and remove the penalty points. So I don’t think it would be fair for me to order UKI to pay his fine if this is going to be refunded to him. And if the penalty points are taken off his licence, he’ll be able to ask his current insurer to re-rate his 2025/26 premium. If his appeal is unsuccessful, I think UKI should refund the fine, plus interest, and an amount to reflect Mr B’s increased insurance premium for 2025/26, again plus interest.

### **Putting things right**

In the circumstances, UKI should:

- Write a letter of indemnity to Mr B to help his court appeal.
- This letter should confirm cover for Mr B from August 2024 up to and including 15 October 2024 when he was stopped by the police.
- Refund £92.21 for the cost of temporary motor insurance he took out on 15 October

- 2024, plus interest at 8% simple per year from that date to the date of settlement.
- Pay Mr B £142.32 to reflect the difference between what he paid for insurance in 2024/25 and his 2023/24 premium, plus interest at 8% simple per year from January 2025 to the date of settlement.
- Pay Mr B £500 to reflect the distress and inconvenience this matter has caused him.

UKI should do this within 28 days of Mr B accepting my decision. In the circumstances, I think it should provide the letter of indemnity as soon as possible.

If Mr B's appeal is unsuccessful, UKI should pay additional compensation as follows:

- Refund his £300 court fine, plus interest at 8% simple per year from the date he paid the fine to the date of settlement.
- Pay Mr B the difference between his 2025/26 and 2023/24 premiums, plus interest at 8% simple per year from the date he paid his premium to the date of settlement.

### **My final decision**

My final decision is that I uphold the complaint and order UK Insurance Limited to take the actions set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 2 December 2025.

Simon Begley  
**Ombudsman**