

## **The complaint**

Mr P complains about how U K Insurance Limited (“UKI”) handled a claim under his car insurance policy which he says has caused him significant financial difficulties and has affected his credit rating.

## **What happened**

Mr P had a motor insurance policy with UKI covering his car.

He made a claim for damage caused in a rear-end collision which happened in June 2022. He made a complaint about how the claim was being handled, which was upheld by UKI. It paid him £750 compensation.

In July 2025, 11 months after UKI issued its final response on that first complaint, he approached this service. Our investigator looked into it and said he thought it was outside this service’s jurisdiction because he’d brought it to this service too late.

Mr P also complained about the service he’d had since July 2024. He is disappointed by UKI’s service as the claim is still ‘open’ several years after the collision happened. He also understood his policy was set to automatically renew, but it didn’t do so in June 2024. Because his car wasn’t insured, it was seized in August 2025 and he was given an IN10 endorsement on his driving licence. He was also in default on payments for his previous policy with UKI, which affected his credit rating.

He says the endorsement and credit rating issues mean he’s lost £450,000 of income for his business. He asks for £200,000 compensation.

UKI looked into his complaint and agreed it hadn’t sent the correct information to its legal partner. It thought this had caused a delay of three months in his claim and it paid him £250 compensation. It didn’t uphold the rest of his complaint.

As Mr P remained unhappy, he brought his complaint to this service. Our investigator looked in it and clarified that this service could only look at the problems Mr P had between the issue of the first final response, which was 3 July 2024, and the second final response, which was 17 July 2025. He thought UKI’s claims service should have been better given the earlier problems it had caused Mr P, and he thought the level of compensation should be set at £500.

UKI agreed with the view. Mr P responded and asked that his complaint was referred to an ombudsman. He said I should consider the entire claim history, which was still ongoing when he approached this service.

Because Mr P didn’t agree, his complaint has been passed to me to make a final 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.

It's important I start by saying what I'm able to deal with in this decision. I also need to say that I'm not going to refer to all of the evidence I've been supplied. No disrespect or discourtesy is intended. What I'm going to do is focus on the areas I think are central to Mr P's complaint. This is in line with this service's informal approach.

I can see that Mr P has communicated several times post-view setting out his requirements for how his complaint is handled. As I mention above, he has set out that he thinks the entire claims history is in-scope for me to consider, but I don't agree. This decision will only deal with matters between the dates of the two final responses set out above.

Mr P may wish to make a further complaint about matters after that second final response and he can do this to UKI. A new complaint may reach this service in due course.

Having read the file, I'm upholding Mr P's complaint, but I'm not going to increase the amount of compensation awarded to him. I'll explain why.

### ***Auto renewal***

Mr P's policy renewed on 23 June 2023. He believed it would automatically renew on the same date in 2024, but it didn't do so. The 2023 renewal documents do mention auto-renewal.

In early March and April 2024, UKI had tried to take two monthly payments totalling £430.30 from his account, but the requests failed. One month later, it applied for a total of £645.45 to bring his account up to date. From the information on file, Mr P didn't make this payment either. This seems to have resulted in a default on his credit file.

So, it seems that Mr P was in default to UKI at renewal in 2024. It wrote to him and emailed him a total of four times about this. And it wrote, emailed and sent an SMS to him a total of four times saying he needed to contact it about his renewal or his policy would lapse.

Again, I can't see that Mr P responded. In August 2024, the police seized his car for not having insurance, resulting in points and a fine for Mr P.

Mr P has talked at length about the impact on him, his reputation and his business. But in his extensive responses to this service, I can't see that Mr P has directly commented on why he missed the payments or didn't notice that his policy hadn't renewed. He has, however, alluded to the impact on the premium he was being charged by UKI caused by his claim being 'open'. I'll deal with the claims service below.

While I can understand his frustration about his policy not automatically renewing, it's his responsibility to ensure his car is insured and I can't say UKI acted unfairly here. It contacted him repeatedly and via different communications methods, which is in line with best practice and this service's recommendations. It also offered Mr P a payment plan, but this was apparently declined by him. I can't say UKI acted unfairly.

UKI pointed out that Mr P had made other claims and its underwriting acceptance and premium modelling criteria may have changed between renewals – what that would mean is that even though Mr P asked for automatic renewal, it may not have been possible for UKI to carry this out without a discussion with him. I can't reasonably say UKI is responsible for the implications of Mr P not contacting it.

Mr P also complained about the amount he's been charged for cover, which has increased

substantially at each renewal. I can see UKI has said his premium was correctly calculated.

Although I understand Mr P thinks the increases in his premium are unfair, I need to point out that it's not the role of this service to tell a company how much it can charge for cover. I can see UKI looked into the premium increase and said it was likely mainly due to a re-assessment of risk as Mr P had four reportable incidents recorded on his details.

What I think I can say is that, once and if Mr P's claim is settled as non-fault, his No Claims Discount ('NCD') should be allowed, and that will mean he can approach UKI (or whichever insurer he changes to) and provide them with the revised claims and NCD details. What that means is the insurer should re-evaluate his premium historically and adjust it, returning any overpayments to him. This service would support this approach.

### ***Claim***

I can see from the file of evidence that Mr P's claim has been going on for some considerable time. As I mention above, I'm only able to consider matters between the two final responses to him, but I have read about the earlier part of his claim dealt with in the first final response in 2024.

That final response dealt with the reduction of his NCD and the impact on his renewal premiums, and I've said above what Mr P may be able to do.

UKI has shown that the Third Party Insurer ('TPI') didn't agree with UKI's assessment on liability, with the result that Mr P's case is being dealt with by a legal company. I appreciate Mr P maintains that this service should look into how that legal company has been dealing with the claim, as it's associated with UKI. But that company doesn't fall into our jurisdiction, and if Mr P wants to complain about it he'll need to read the information it has sent him and follow its complaints procedures.

Unfortunately for Mr P, the legal process can take some time to complete, but I can't fairly say that's the fault of UKI as much of the delay seems to be due to the TPI.

What this means is that I'm only reasonably able to take into account the delays caused by UKI. In its final response of July 2025, UKI said it had identified a three-month delay it caused by not sending the complete file and details to the legal company. This delay only ended when the legal company chased UKI. What this meant was that notice wasn't able to be correctly served on the TPI (or its legal representatives) for this time – and I think that three-month delay was fairly UKI's fault.

The file says that the TPI's initial inaction and then negative responses mean that a legal process is now being followed, which means the court system will likely be used to settle the matter.

I appreciate the three-month delay is only a small part of the overall delay faced by Mr P, but I think UKI should pay some compensation for it. I've thought about this carefully. UKI previously paid him £750 compensation following the earlier complaint. It paid him £250 for this complaint, but I don't think that's enough. Its error in causing a three-month delay in the claim has led to some distress for Mr P, but I think UKI should have done better here given that he had made an earlier complaint relating to the same claim.

I've considered this service's guidelines on compensation and I think the appropriate amount should be set at £500.

## **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint. I direct UK Insurance Limited to pay Mr P a total of £500 compensation for his distress and inconvenience caused by its claims service and the delay it caused. It's my understanding that £250 has already been paid, so this can be deducted.

UKI must pay the compensation within 28 days of the date on which we tell it Mr P accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 9 February 2026.

Richard Sowden  
**Ombudsman**