

## **The complaint**

Mr and Mrs S complained that U K Insurance Limited ("UKI") unfairly recorded a claim against Mr S's home buildings insurance policy.

I'll refer to Mr S for ease.

## **What happened**

In November 2024 Mr S said he contacted UKI to establish if he was covered for the detection of a water leak under his policy. He said that when all water appliances had been turned off there was still a flow of water being recorded by the meter. Mr S was told that he was only covered for water damage and not for costs associated with finding a leak.

Mr S said he was transferred to another department that dealt with home emergency cover. But was again told that he wasn't insured for locating a leak.

Sometime later Mr S received renewal documents. He noticed this included reference to the calls he made as a claim against his policy. He asked for this to be removed but was told it had been correctly recorded as a nil cost claim. Mr S remained concerned that this could affect his future premiums, so he complained.

In its final complaint response UKI told Mr S that this claim didn't impact on his no-claims discount (NCD) or on the premium at renewal. It referred to its policy terms and conditions and said Mr S is required to inform it of any incident that may lead to a claim. UKI maintained that it had dealt with the matter correctly.

Mr S didn't think he'd been treated fairly by UKI and referred the matter to our service. Our investigator upheld his complaint. He didn't think the record of this incident fairly reflected what had happened. He said Mr S only thought there could be a leak, but no damage had been identified when he contacted UKI. Our investigator said UKI should remove the claim record, recalculate Mr S's renewal premium with the claim record removed, and pay him £150 for the distress and inconvenience it caused him.

Mr S accepted what our investigator said but UKI didn't. It maintained that Mr S had contacted it with the intention of making a claim. There was no cover in place so a claim couldn't be progressed. But UKI said this must still be recorded as a nil cost claim, with Mr S's NCD showing as allowed.

As an agreement wasn't reached the complaint has been passed to me to decide.

I issued a provisional decision in October 2025 explaining that I was intending to not uphold Mr S's complaint. Here's what I said:

### *provisional findings*

*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 my intention is to not uphold Mr S's complaint. I'm sorry to disappoint him but I'll explain why I think my decision is fair.*

*UKI has made a record of a claim that is also recorded on the Claims and Underwriting Exchange (CUE) database. Most insurers, including UKI, are signed up to CUE. Its purpose is to prevent misrepresentation and fraud. Insurers are required to ensure any record added to CUE is accurate.*

*UKI provided information that showed it recorded a claim against Mr S's policy in November 2024. The record showed there is no cost associated with the claim. The claim is described as "escape of water/freezing water in pipes/other water damage". The business also provided records that show Mr S's NCD was allowed. This informs any insurer looking on CUE that Mr S made a claim in November. Also, that this came at no cost to his insurer and his NCD was unaffected.*

*I've thought carefully about whether it was fair and reasonable for UKI to record this incident as it has. UKI has said this claim record has had no impact on Mr S's premium. However, all insurers assess risk and calculate premiums using different criteria. So, this could have an impact on Mr S's future insurance premiums.*

*Mr S's policy terms and conditions require him to inform UKI about anything he needs to claim for or may need to claim for. He described how there was evidence of a potential leak and that this required investigation. In these circumstances I think it was a requirement of Mr S's policy that he informed UKI.*

*UKI said Mr S would have been asked if he wanted to make a claim when he called to report the issue. From its records I can see the business obtained the call recording, but it was corrupted. This means I haven't been able to listen to what Mr S was told or what was discussed during the call.*

*That said Mr S is clear he called UKI to establish if there was cover for detecting a water leak. It was determined that there was no cover. UKI made the point that if there was cover Mr S would have continued with his claim. It said even though no cover was available in these circumstances it was correct to log a claim and determine if there was cover.*

*Having considered this carefully I think Mr S did make a claim when he called UKI. He was told there was no cover once UKI's agent had considered the circumstances. This was then repeated when he was transferred to the department dealing with cover for emergencies. But there was no cover in place under that provision either. Mr S's claim wasn't covered. But this doesn't mean that a claim should not be recorded. In these circumstances it's correct that a claim was recorded and that it shows no associated costs and no impact on Mr S's NCD.*

*UKI has provided information showing its approach to recording incidents and claims. This refers to circumstances when it might make an 'information only' record. This is also referred to as a 'notification only' incident. Under UKI's process one of the requirements for an information only record is where the policyholder is certain they are not making a claim. I've thought about whether this incident should reasonably have been recorded as notification only.*

*However, we think this is for circumstances where the policyholder makes an insurer aware of an incident but where no claim has been made. For example, the policyholder reports damage but confirms they will pay for the repairs or confirms they don't want to have the damage repaired. But this isn't what happened here.*

*Mr S contacted UKI to see if he could claim for the costs involved in detecting a leak. He was subsequently informed that his policy doesn't provide this cover. But having considered this carefully, Mr S didn't contact UKI simply to inform it of an issue. He contacted UKI to see if he could make a claim. In these circumstances I don't think that a notification only record is appropriate.*

*In its submissions to our service UKI said it closed the claim as of November 2024. It said this may not be showing correctly with one of the credit reference agencies. To put this right it said it will reopen and close the claim again to prompt the record to be updated. It said it will contact the credit reference agency to ensure the update is done quickly. From the information I've seen I'm satisfied that the claim was recorded correctly. I think the action UKI has proposed seems reasonable, but I won't ask it to do more.*

*In his complaint referral Mr S said that although this claim record may not have affected his premium this year, it will remain on file for several years. From the information UKI has provided the claim record had no impact on Mr S's renewal premium. But I don't think the claim record was inaccurate or unfair. So, even if it had resulted in an increased premium – this wouldn't be the result of something UKI did wrong.*

*I understand that Mr S identified the leak, which originated within a toilet cistern. He arranged for a plumber to repair this for around £60. I'm glad he was able to resolve the problem. But for the reasons I've explained I don't think UKI treated Mr S unfairly when it recorded the claim as it did. So, I can't reasonably ask it to do anymore.*

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

UKI responded to say that it had reviewed my provisional decision and had nothing further to add.

Mr S responded to say I had misrepresented his contact with UKI. He said this was to establish if cover existed for a potential issue. Mr S said the purpose of his call was to prevent a claim not to make one. He said the interpretation of a 'notification' as opposed to a 'claim' is too narrow and fails to account for the grey area surrounding early enquiries.

In his response Mr S said I acknowledged the claim record could have an impact on future premiums but then concluded this was not UKI's fault. He said this was contradictory and unfair. Mr S explained that he should not be penalised because UKI was unable to provide a call recording of his contact.

### **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, although I'm sorry Mr S remains dissatisfied, his further comments don't persuade me to amend my provisional findings.

Mr S said he contacted UKI to ascertain if there was cover in place for the issue he was reporting. He didn't say the purpose of his call was solely to notify UKI of an issue. In my provisional decision I explained our approach when considering if a notification or a claim should be recorded. I said a notification is where a customer confirms they don't want to have the damage repaired, or clearly states they want to pay for the repairs themselves. This isn't what happened here. Mr S is clear that he contacted UKI to notify it of an issue and to

ascertain if there was cover in place.

I acknowledge Mr S's comments regarding the interpretation of a notification. But as above, I'm satisfied the contact he made was fairly recorded by UKI.

In my provisional decision I explained that insurers assess risk and calculate premiums according to their own criteria. This differs between insurers. Meaning it's possible that an insurer could charge a higher premium based on this record. Albeit the CUE record shows that there was no cost associated with the claim and Mr S's NCD was allowed.

I can't see how my comments are contradictory. I think UKI recorded this claim correctly on CUE. So, if this was to have an impact on Mr S's future insurance premiums – this isn't something UKI caused to happen unfairly.

It is unfortunate that a call recording isn't available. But I'm satisfied from Mr S's testimony and the information provided by UKI that the matter was handled fairly.

### **My final decision**

For the reasons set out here and in my provisional decision I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 1 December 2025.

Mike Waldron  
**Ombudsman**