

The complaint

Mr B complains about U K Insurance Limited's handling of a change of vehicle under a car insurance policy.

Mr B is the policyholder and has been largely represented by his partner in this complaint. But for ease of reference, I shall refer to anything Mr B's partner said on his behalf to have been said by Mr B.

What happened

Mr B had a car insurance policy with U K Insurance Limited (UKI). On 28 May 2025, he called UKI to request a quote for a change of vehicle, from 30 May 2025. UKI provided a quote for the change, up to renewal in July 2025.

On 30 May 2025, Mr B called to accept the quote and add the new vehicle. But UKI said it didn't provide insurance cover for this make of vehicle anymore.

Mr B complained. He wanted UKI to honour the quote it provided, until renewal. He said he wouldn't have purchased the car if UKI had told him it wouldn't insure it to begin with.

UKI responded to the complaint in June 2025. It agreed to provide cover until renewal, at no extra cost to Mr B. It accepted it shouldn't have quoted for the change of vehicle when Mr B first called. UKI paid Mr B £300 compensation for the distress and inconvenience caused.

UKI wrote to Mr B in June 2025, to confirm it couldn't cover his vehicle at renewal, and Mr B referred his complaint to the Financial Ombudsman Service.

Mr B said if UKI had given him accurate information, he wouldn't have purchased the vehicle. And because the insurance quotes he was getting for the vehicle at renewal were significantly higher than his previous premium, he said he'd have to sell the vehicle at a loss. He wanted UKI to pay him financial compensation for this.

The Investigator didn't uphold the complaint. They said Mr B had likely determined this was the vehicle he wanted to buy. They said UKI's advice was only about quoting up to renewal and Mr B had an obligation to carry out his own research.

Mr B didn't agree. He said when he first called, no deposit had been paid, and there were several other makes of vehicle in consideration. So he said UKI's quote was a material factor in his decision to purchase the vehicle. He said he'd sold the vehicle and had to borrow money to settle the outstanding finance.

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.

The rules which govern our Service require me to take into account relevant considerations, such as the relevant principles and what I consider to be good industry practice. My

overriding remit under the rules is to make an independent and impartial decision based on what I think is fair and reasonable to both parties in the circumstances.

UKI accepts it shouldn't have quoted for Mr B's change of vehicle on 28 May 2025, when he first called in. This is because it no longer offered cover for this particular make. So I don't think it's in dispute that UKI acted unfairly. I've therefore gone on to consider what is fair and reasonable in the circumstances. In doing so, I've considered the impact on Mr B.

Mr B said he wouldn't have purchased the vehicle (and would've sought an alternative) if he'd been told that UKI wouldn't offer cover for it. Mr B says this is because he'd have had to check for insurance elsewhere and would have realised the vehicle would be too expensive to insure.

I can understand Mr B's feeling on this matter. From what I can see, he hadn't collected the vehicle when he first called on 28 May 2025. But overall, I'm not satisfied, on balance, that Mr B wouldn't have purchased the vehicle anyway. I'll explain why.

I've seen a copy of the finance agreement Mr B said applies to the vehicle purchase. This is dated 28 May 2025, so the same day he first called UKI. And this suggests he had applied for and completed a finance application for this vehicle prior to this date and received approval. I think this shows Mr B had already decided this is the vehicle he wanted to purchase, and he'd already completed a full finance application on this basis.

I've also seen the retailer invoice Mr B provided, and this suggests Mr B had a previous vehicle of the same make, that he traded in when he acquired the vehicle in question. Given that he'd previously had a vehicle of the same make, I think it's likely his intention was always to purchase another vehicle of the same make. And I think this shows he was likely aware of the associated challenges with insuring a vehicle of this make.

So overall, for the reasons outlined above, and on balance, I'm not persuaded Mr B would have decided against the purchase of the vehicle, if UKI had made it clear, during the first call, it no longer offered cover for that make. It follows that I don't consider it fair and reasonable to hold UKI responsible for any loss or costs associated with Mr B's purchase of the vehicle.

I do accept that between 28 May 2025 and 30 May 2025, UKI led Mr B to believe it would provide insurance cover until renewal. And given that Mr B said he was at the dealership to collect the car when he was first told UKI wouldn't provide cover, I think UKI's actions did cause him distress, inconvenience and loss of expectation. But I think in agreeing to provide cover until renewal, at no further cost, and in paying him £300 compensation, UKI acted fairly. So I won't be directing it to do anything else.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 March 2026.

Monjur Alam
Ombudsman