

## **The complaint**

Mr S complains that U K Insurance Limited trading as Privilege Insurance policies (UKI) provided inconsistent and incorrect advice when enquiring about making a claim under his motor insurance policy.

## **What happened**

The circumstances of this case are well known to both parties, but in summary Mr S has a motor insurance policy which is underwritten by UKI. In October 2024, Mr S experienced damage to his vehicle due to the actions of a contractor of his local council. He contacted UKI and notified it of the damage but chose not to take any further action at the time. Mr S's vehicle was subsequently damaged again in December 2024 by the same contractor and so he contacted UKI to notify it of the additional damage and discuss making a claim. To date, no claim has been made as Mr S wanted UKI to confirm the council and its contractors would accept liability before proceeding.

During the claim journey, Mr S said UKI provided him with incorrect and inconsistent advice surrounding its prospects of success in recovering costs from his local council. Mr S said this led to him incurring a financial loss. So Mr S complained to UKI on three occasions.

UKI upheld the complaints and awarded Mr S £350 compensation in total as it recognised it misinformed Mr S on a number of occasions. As Mr S remained unhappy, he referred his complaint to this Service.

Our Investigator didn't think UKI needed to do anything more as while they recognised the service provided could have been better, they felt £350 fairly recognised the impact of UKI's failings. Mr S disagreed and asked for an Ombudsman to make a final decision. He said UKI failed to provide him with reasonable guidance, which impacted his ability to make an informed decision, caused him significant financial loss and didn't take reasonable care following a significant change to his health.

So, the case has been passed to me to decide.

## **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 was sorry to hear of Mr S's change in health. I appreciate this would be a significantly worrying and distressing time for him, and I wish him all the best with his ongoing treatment.

While I appreciate Mr S will be disappointed with my decision, I won't be directing UKI to do more. I'll explain why.

I recognise I have summarised the circumstances of this case in less detail than presented. But I would like to assure both parties that I have carefully considered all submissions made when determining this complaint. I may not comment on each point raised or each piece of

evidence provided. Instead, my decision will comment on the issues I consider to be key. This isn't intended as a discourtesy but reflects the informal nature of this Service – and the rules this Service are expected to adhere to enable me to do this.

Insurance claims are rarely straightforward given their nature, the parties involved, and the time required to investigate. But relevant industry rules say firms should handle claims promptly, fairly and provide reasonable guidance to help a policyholder make a claim.

Our role isn't to decide who caused the damage to Mr S's vehicle. That's something only a court can do. Instead, I've looked at whether UKI treated Mr S fairly.

It isn't in dispute that UKI failed to provide Mr S with reasonable guidance. So, I won't look to comment on each individual error in any detail. However, I have gone on to consider whether UKI has done enough to put things right.

Mr S said the damage caused to his vehicle was due to his local council's contractor negligently using a leaf blower and other equipment when maintaining the area surrounding his vehicle. In support of his claim, Mr S explained he saw the contractor cause the damage, had CCTV footage of the contractors acting negligently on separate occasions, and provided photographs of the damage to his vehicle.

UKI said if it were to proceed with a claim, it would be unlikely to successfully recover its outlay from the council because the evidence Mr S had provided didn't clearly demonstrate the contractor caused damage to the vehicle. And on balance, I don't find this to be an unreasonable conclusion as the case would ultimately come down to Mr S's word against the contractor – with an absence of evidence supporting either parties' version of events.

I appreciate Mr S provided CCTV footage of the contractor's behavior across other occasions. However, this doesn't evidence that the contractor was responsible for the damage on the date of the incident. So, it isn't unreasonable for UKI to inform Mr S that the likelihood of being able to recover its outlay would be low, and any claim Mr S makes, should he choose to do so, would be against his policy and this could impact future policies.

UKI acknowledged it provided misleading and incorrect information to Mr S during the claim, including whether the council had accepted liability or not. And I recognise this would have caused frustration and confusion given Mr S was looking to rely on the expertise of his insurer. I've carefully listened to the calls to understand what happened. And I agree UKI should look to make an award in recognition of its service during these calls as I find they could have been handled in a more reasonable way.

Mr S said that UKI's actions caused him a significant financial loss, including £1,100 for the cost of the policy which he says he didn't have the benefit of, and £4,500 of repair costs.

It wouldn't be fair or reasonable for me to direct UKI to refund Mr S the premiums he paid as Mr S still had the benefit of cover under the policy and is within his rights to make a claim. UKI has confirmed it would look to arrange the repairs of Mr S's vehicle if the claim is accepted, but he would be liable for the excess for each claim he makes, and if it isn't able to recover the cost of repairs from another party, the claim would be recorded as "no claim bonus disallowed", or more commonly referred to as a "fault" claim.

I know Mr S feels that UKI's actions led to the repair costs. But having looked at the evidence, I don't think UKI's mistakes caused those costs. The repairs would have been needed anyway because of the damage, and these costs are unrelated to UKI's handling of Mr S's enquiry and the service it provided. I'm also mindful that UKI's service failings haven't prejudiced against Mr S's ability to make a claim should he later choose to do so.

To date, UKI paid Mr S £350 in recognition of the service it provided. Having considered the overall handling provided by UKI, I find this amount to be fair and proportionate in the circumstances. This amount is consistent with our bands of awards where there has been considerable distress and upset over many weeks or months and is consistent with what I would have awarded had no offer been made. I therefore won't be directing UKI to make any further award.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 February 2026.

Oliver Collins  
**Ombudsman**