

## **The complaint**

Ms M complains UK Insurance Limited trading as Direct Line Car Insurance (“UKI”) provided poor customer service and overcharged her when she cancelled her motor insurance policy.

## **What happened**

In October 2025, Ms M sold her car and contacted UKI to cancel her motor insurance policy. She had one month of cover remaining with the final payment being around £60 but she was asked to pay an extra £17.24 on top of it. Ms M queried this and was told she’d receive a call back but this didn’t happen. So, she called UKI again a couple of days later and complained. UKI’s adviser said she couldn’t log the complaint and would call her back but this didn’t happen.

Ms M made a further call to UKI and this time she was able to raise a complaint. In its response to the complaint, UKI accepted the level of service provided fell short of the standard expected and that she had made a total overpayment of around £34 which it refunded. To apologise for its poor service, UKI paid Ms M £80 compensation.

Unhappy with UKI’s response, Ms M referred her complaint to our Service. Our Investigator didn’t uphold the complaint as he thought UKI had already done enough to make up for what had gone wrong. Ms M didn’t agree. She said £80 wasn’t enough compensation for the upset and trauma she had been through. She felt UKI should be penalised for poor service provided.

As Ms M didn’t accept our Investigator’s opinion, the complaint was 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’m aware I’ve set out the background to this complaint in less detail than the parties have presented it. I’m not going to respond to every single point raised. Instead, I’ve focused on what I find are the key issues here. I assure both parties, however, that I’ve read and considered everything they’ve provided.

Based on everything I’ve seen, I’ve decided not to uphold this complaint for broadly the same reasons as our Investigator. I know Ms M will be disappointed but I’ll explain why.

UKI has acknowledged its communication and service was poor. To apologise, it refunded Ms M the overpayment she had made and paid her £80 compensation. So, the remaining issue for me to decide is whether I think UKI needs to do more to put things right.

I appreciate the policy cancellation process has been upsetting for Ms M. She was incorrectly overcharged during this process and provided with unclear and conflicting information. She was also promised call backs on two occasions which didn’t happen. She

then had to make an extra call and spend more time on the phone to raise a complaint due to UKI's adviser not recording it the first time she raised it. She's also explained she became emotional over the phone due to the frustration of having to explain the situation to UKI more than once and she feels UKI showed no empathy.

For the above reasons, I'm satisfied that UKI's handling of Ms M's policy cancellation request led to undue distress and inconvenience being caused to her. But I think the actions taken by UKI to put things right were reasonable. UKI refunded the overpayment and paid Ms M £80 compensation within a few days of her complaint being raised.

Ms M feels the £80 compensation doesn't sufficiently compensate her for the distress and inconvenience she experienced. But having considered what has happened, I think this amount is fair and in line with what I'd direct in the circumstances. This amount is consistent with our bands of awards where there has been a small administrative error or a short delay which has been put right quickly. I have no power to punish or fine an insurer for poor service – that isn't the role of our Service. That would be for the Financial Conduct Authority as the regulator. Our role is to assess whether the insurer has acted fairly and reasonably and, if not, whether it's taken fair steps to resolve things.

Taking into account everything that's happened, I think the £80 paid by UKI is enough to fairly compensate Ms M for the impact its poor service caused. So, I'm not directing it to do anything more.

### **My final decision**

For the reasons provided, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 30 April 2026.

Linda Tare  
**Ombudsman**