

The complaint

Miss F complains that U K Insurance Limited (“UKI”) lost some of her personal belongings when it was storing her car after a claim on her car insurance policy.

What happened

Miss F had a motor insurance policy with UKI covering her car.

In April 2025 she was involved in an incident causing damage to her car. She contacted UKI and made a claim. UKI thought her car would be beyond economic repair and would be written off.

Her car was recovered by UKI’s recovery agents. The claim for the loss of her vehicle was dealt with.

The recovery agent stored Miss F’s car and she was told she could collect her belongings. She made arrangements to go to the site and do this but the site was closed that day despite arrangements being made. Her journey was wasted.

Her car had already been taken to another of UKI’s suppliers I’ll refer to as C.

Both the recovery company and C are working on behalf of UKI in handling the claim, and as such UKI takes responsibility for their actions.

C posted some of her belongings to her. She made a second journey to see her car. She noticed that a mobile phone, vacuum cleaner and a screwdriver set were missing. They’d mostly been stored in a bag in the boot.

Miss F complained about the missing items and the difficulties she’d had contacting C. UKI said it would pay £250 compensation for her inconvenience. It asked for proof that the mobile phone had been blocked so that it could investigate the matter further.

Miss F remained unhappy and brought her complaint to this service. Our investigator looked into her complaint and thought it would be upheld. He said UKI should pay additional compensation of £500, making the total £750 for her distress and inconvenience. He also thought UKI needed to pay for the loss of Miss F’s mobile phone in line with the amount of personal belongings cover under her policy with UKI, which covered up to £750.

UKI didn’t agree with the view. It thought a suitable compensation level would be £400.

Miss F didn’t agree with the view and asked that her complaint was referred to an ombudsman. She provided some travel expenses she’d incurred from her journeys to C.

Because both parties didn’t agree, this complaint has been passed to me to make a final decision.

I issued a provisional decision intending to uphold Miss F’s complaint because I thought some clarity was needed about UKI’s responsibility for the loss of Miss F’s items from the

boot of her car. I also changed the amount of compensation I thought UKI should pay her:

It's important I say that the value of the items lost while Miss F's car was in the custody and control of the recovery agent and C is, I think, the responsibility of those companies. But as they were operating on UKI's behalf, that means UKI needs to pay for them.

To be clear, this means that Miss F is not claiming under the terms of her car insurance policy for those items and UKI now needs to pay for them. What this means is that there's no limit to the amount she can ask UKI to refund to her – as this isn't a claim under the personal belongings section of her policy (or any other part of it).

I would point out that Miss F needs to reasonably prove that the items were in the boot, but as UKI seems to have accepted this point then I don't think further evidence is needed.

However, I also think I need to say that UKI needs to indemnify Miss F for those lost items. This is a legal term and it means Miss F is entitled to the cost of those items to replace. So, I think the fair solution is for Miss F to provide an itemised breakdown of the items she's lost, together with the value it would have cost her to replace those items as at the date of loss (which I think it's fair to say should be set at 18 April 2025).

I'd understand that Miss F may find this difficult to evidence as it was so long ago, so I'd ask that she makes her best effort to assess these costs and share them with this service.

It's my intention that UKI will refund those reasonable, evidenced costs and interest at 8% simple will be added to that, from the above date to the date UKI makes this payment.

I'd ask that Miss F now provides details of those items and their replacement costs to our investigator.

I've also looked at the process Miss F went through. As I've mentioned above, it seems to me that the central part of her claim for the loss of her car progressed smoothly. But I can see from the evidence that there was a lack of co-ordination and care around her efforts to collect her personal belongings.

I can see that this caused her concern and worry, and two journeys to the recovery agent's site and C's site to locate the items. The first was a wasted journey. And I think the second was at least partially caused by UKI's failure to deal with the issue. Miss F has also talked about the poor service she had from both the recovery agent and C when she tried to access the sites.

I've thought about this, and considered this service's guidelines on compensation. I think Miss F was caused distress and inconvenience over a short period. But from the evidence I have, her frustration was significant for her. Taking this into account, I can see UKI agreed that it would accept a compensation amount of £400, and I think this amount is fair. Our investigator previously said they thought Miss F could receive £750, but I don't think that's appropriate in this case as I don't think UKI's mistake was significant enough, while also recognising that its service could have been better.

Miss F has also provided this service with a travel document for one of her journeys. I'm not able to see the amount she spent on it, so I'd ask her to resubmit her travel costs for both journeys, and I'd say UKI should refund both of those to her, adding 8% simple interest.

Responses to my provisional decision

UKI responded and said it could only pay to the limit on the policy for Miss F's items. It

pointed out some issues with the claim and how it was notified..

Miss M responded and sent some evidence about the items she'd lost. She thought £750 compensation was appropriate because she'd lost her phone and couldn't afford to replace it, which had caused her significant disruption to her life. Chasing up UKI had taken her many calls and lots of inconvenience, including during her working day.

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've considered both parties' responses to my provisional decision, but I'm not going to change what I previously decided. I'll explain why.

Firstly, I'll comment that UKI doesn't seem to have understood my provisional decision. It's again said that it can only pay out on Miss F's personal belongings up to the limit in the policy (which was £750). But, as I've said above, I don't think that's fair. UKI is responsible for the actions of its recovery company and the other contractors and suppliers it used to handle Miss F's car. What that means is it needs to take account for the items going missing while her car was in its care. So, it fairly needs to pay the reasonable costs of replacement of Miss F's items without the limit being applied, adding interest at 8% simple.

I can see UKI raised some further concerns in its response to this service, but I can't see those are relevant to my decision.

Miss F has explained that her inconvenience has been substantial because of the loss of her phone and her inability to afford a replacement for it. She has my sympathies, but I need to point out that I can only consider her distress and inconvenience to the date of UKI's final response to her. So, while I can see from her comments in December 2025 that she's talked about being unable to afford a replacement smartphone I'm afraid I can't take this full period of time into consideration here.

I've thought about this and I can see she suffered a great deal of inconvenience and distress over the period I'm able to consider, and I think the amount of compensation should be set at £400.

Neither party commented on the wasted journeys Miss F made, so that part of my decision will stand.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. I require U K Insurance Limited to pay Miss F:

- A total of £400 compensation for her distress and inconvenience.
- Her travel costs for the two journeys she made to recover her possessions. Interest at 8% simple should be added to these costs from the date Miss F paid them to the date this payment is made.
- The reasonable cost of replacement of Miss F's missing personal possessions. Interest at 8% simple should be added to the value of these from 18 April 2025 to the date this payment is made.

If UKI considers that it's required by HMRC to deduct income tax from that interest, it should tell Miss F how much it's taken off. It should also give them a tax deduction certificate if she asks for one, so she can reclaim the tax from HMRC if appropriate.

UKI must pay the compensation within 28 days of the date on which we tell it Miss F 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 Miss F to accept or reject my decision before 21 January 2026.

Richard Sowden
Ombudsman