

The complaint

Mr A complains that he wasn't provided with a courtesy car by U K Insurance Limited trading as Churchill Car Insurance ("UKI") when he made a claim, and that his premium increased at renewal.

What happened

Mr A had a motor insurance policy with UKI covering his car. In March 2024 he was involved in a collision causing damage to his car.

He engaged the services of an accident management company I'll refer to as 'N'. It provided Mr A with a hire car.

He contacted UKI and told it what had happened and asked for a courtesy car. It transferred him to another accident management company 'A' and dealt with his claim for his car.

UKI thought his car would be beyond economical repair and wrote it off. It paid Mr A for his car, less his excess and salvage because Mr A kept the car. It sent £1,648 to Mr A's account.

N apparently also continued to deal with his claim. The Third Party Insurer ('TPI') paid Mr A the full write-off value of his car, which was £2,172.34.

Mr A's policy came to the end of its term and he took out a policy with another company. His premium has increased.

He complained about the lack of courtesy car, the premium increase and the service he'd had from UKI.

UKI said it would pay him £75 compensation for a delay during his claim when it hadn't chased up the TPI.

Mr A remained unhappy and brought his complaint to this service.

Our investigator looked into it and thought it wouldn't be upheld.

Mr A didn't agree with the view and asked that his complaint was reviewed by an ombudsman, so it's been passed to me to make a decision.

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 situation Mr A has found himself in is unusual and complex. But it's important I start by saying that Mr A needs to take one action to resolve it.

Having read the file of information, I'm not upholding his complaint and I'll explain why.

- Mr A engaged the services of N as an accident management company. N doesn't fall into this service's jurisdiction.
- His relationship with N came to an end after about three weeks.
- From the information I have, Mr A was supplied with a hire car by N during this time.
- Mr A then contacted UKI (on 18 April) and made a claim.
- UKI assessed his car as a write-off and paid him £1,648 on 2 May.
- UKI passed Mr A to another accident management company as he asked for a courtesy car. This company didn't supply him with one. This service has no jurisdiction over that company.
- As Mr A's car wasn't being repaired by it, UKI had no responsibility under the policy terms to loan him a courtesy car either.
- At some point, the TPI denied liability.
- The TPI settled Mr A's claim by paying him £2,172.34 around 9 September.
- The TPI hadn't responded to UKI's questions. Apparently the TPI was still dealing with N.
- UKI failed to chase up the TPI from late July to November. It apologised and paid him £75 for the delay.
- UKI needs to recover its costs – that is to say the money it's paid out to Mr A. But it can't recover this money from the TPI because the TPI has also paid Mr A.
- Mr A denied dealing with the TPI. But it paid the money straight into his bank account, so I think it's fair I say that Mr A must have discussed the matter with the TPI.
- Because UKI hasn't recovered its costs, the claim is still 'open' on Mr A's records. What that means is his premium will likely be higher until his claim is closed.
- If Mr A's claim is closed by UKI, Mr A should be able to contact his insurance company, tell it that his records have been updated, and that insurance company should recalculate his premiums. This service would support his actions.
- So that UKI can close his claim, Mr A needs to refund the amount he's been paid by UKI to it.

I do appreciate Mr A may find this unfair, but the evidence shows me that he's received substantially more in settlement for his car than he's entitled to. So, to resolve the situation he needs to contact UKI and make payment.

Then he should be able to ask his current insurer to recalculate his premiums accordingly, which may result in a partial premium refund.

I've thought about the actions taken by UKI. Taking everything into account, I don't think it acted unfairly by not supplying Mr A with a courtesy car, as cover for one wasn't available to him as his car was written off.

But I can see it delayed acting on his claim for an extended period, which caused him some

distress. I think the amount of £75 compensation for this is fair and in line with this service's guidelines.

I've also thought about why UKI has asked Mr A to repay the amount of claim it sent him. Put simply, Mr A isn't entitled to have two claims payments. I think the error here was the TPI, which paid him a few months after UKI did. This service doesn't have jurisdiction over that TPI in this situation, because Mr A wasn't a customer of that company.

So, Mr A needs to refund one of the companies, and UKI's amount is less than the TPI's. And UKI has offered Mr A to pay by instalments, which I think is fair.

I do appreciate this may cause Mr A some difficulties, but I think UKI's request is fair and until Mr A repays the amount he received from it, UKI won't be able to close his claim. When it does so, Mr A should be able to ask for a premium recalculation from his subsequent insurer as I mention above.

It follows that I'm not upholding this complaint.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 17 February 2026.

Richard Sowden
Ombudsman