

The complaint

Mr F complains U K Insurance Limited trading as Direct Line (UKI) have unfairly refused to pay him a cash in lieu settlement for costs he paid to have his car repaired.

UKI are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As UKI have accepted it is accountable for the actions of the intermediary, in my decision, any reference to UKI includes the actions of the intermediary.

What happened

Mr F made a claim on his motor insurance after an electrical fire caused damage to his car.

UKI were unable to source an approved supplier who was able to complete the repairs. It asked Mr F if he was able to find his own repairer. He found a garage who said it was able to complete the required repairs, and also a friend who was a mechanic said he could complete the repairs for a cash payment. He told UKI of these options and it said it would need evidence of the costs to be able to authorise the repairs.

Mr F completed the repairs himself with help from his friend before obtaining authorisation from UKI to progress this way. Because he has not yet provided evidence of the costs paid, UKI have not paid the claim. The claim remains open.

Because Mr F was not happy with UKI, he brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said UKI had explained to Mr F that repair costs would only be reimbursed if UKI preapproved the costs before repairs took place. As Mr F decided to proceed with the repairs without approval, he accepted responsibility for the costs. They said UKI acted fairly and reasonably and shouldn't reimburse any costs unless the correct invoice is provided.

As Mr F is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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 electrical fire in Mr F's car was reported to UKI on 16 August 2025. I saw evidence by way of the claims notes that electrical fires were covered under the terms of Mr F's policy and UKI accepted his claim.

When UKI tried to book the car in for repairs with an approved repairer it was refused because the repairer said it didn't deal with fire damage. I saw it tried a second approved repairer who also said it didn't deal with fire damage. Due to this UKI contacted Mr F and explained the issues it was having finding an approved repairer. To avoid any delays it asked him if he was able to find a repairer who would take on the repairs.

In late August 2025 Mr F said he had obtained a verbal quote of £3,500 from a garage and let UKI know of this. UKI explained it would need a detailed quote so its engineers could check and authorise costs were reasonable before any work was undertaken. It said it could do this for him if he wanted. During the call Mr F said he also had a friend who could carry out the repairs for a cash payment. Because it would need a written quote and invoice UKI advised him against using his friend. It said it would be more advisable to use the garage to complete the repairs. Mr F said he would be back in touch to provide the details of the garage he had obtained the verbal quote from.

I didn't see any evidence of contact between UKI and Mr F for approximately four weeks until he contacted it on 27 September 2025 and complained about the lack of assistance received. He said due to the delay in UKI arranging the repairs he had completed them himself with the help of two other people. UKI said he hadn't provided the garage details he had agreed to provide, so it had not been able to contact them. Although I think it would have been good practice for UKI to have contacted Mr F for a progress update, he didn't provide the details of the garage as he agreed to do, so I can't agree it caused a delay. It was clear to Mr F that no work should be started without it being authorised by its engineers and he didn't follow this instruction.

I looked at the terms of the policy and it says;

"Where we have agreed [repairs] with you, reasonable and necessary repairs can be carried out at a repairer of your choice. However, you must give us full details of the incident and we must approve the repairers detailed assessment of the repairs before the work begins. We may then make the arrangements for the repairs ourselves".

This confirms UKI's request to approve repairs before any work started was reasonable. By completing the repairs without authorisation Mr F acted outside the terms of his policy.

I understand it would have been frustrating to Mr F that UKI was unable to assist with the required repairs through its approved provider network, however it clearly explained the claims process and that it needed a detailed repair estimate for approval before any repairs were started. He was also advised against having his friend complete the repairs due to the requirement to provide an invoice.

After the repairs were completed Mr F provided a repair *statement* with a total cost recorded as £3,248. I saw this didn't have any details on it as to who the money was paid to or any breakdown between labour and costs of parts. UKI said without a detailed breakdown and supporting evidence, it was unable to validate the costs or confirm the repairs were reasonable and necessary under the policy terms. It said it couldn't pay the amount requested based on the information provided. I saw UKI asked him to provide evidence of the damage caused by the fire and costs of the parts used in the repairs, to help its engineers review if the costs requested were reasonable. He provided images of the fire brigade in attendance and pictures of his car. It is not in question that there was a fire and damage was caused.

I recognise Mr F feels UKI have harassed him, however I think it reasonable Mr F provides it with further information to validate the costs he's requested are paid. I don't think this is an unreasonable request. I don't think it should be difficult for him to provide evidence of payments for parts bought and associated costs incurred to complete the repairs himself.

UKI have confirmed Mr F's claim remains open, but no payments have yet been made.

UKI worked in line with the policy terms and conditions and also explained clearly his requirements to provide a detailed quote prior to any work starting and it advised against his friend completing the work for a cash payment. Therefore, I think UKI acted clearly and fairly

and don't need to reimburse any costs unless the correct evidence, by way of invoices, of the cost requested are provided.

Therefore, although I understand Mr F will be disappointed, I don't uphold his complaint.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 20 May 2026.

Sally-Ann Harding
Ombudsman