

## The complaint

Ms B and Mr C have complained that U K Insurance Limited trading as Prudential Home Insurance (UKI) incorrectly logged claims against them and unfairly refused to renew their home insurance policy.

## What happened

In March 2025 UKI told Ms B and Mr C that it wouldn't renew their policy the following month when it was due to expire. It also advised them that their claims record showed three separate claims – one for accidental damage, one for a storm and a subsidence claim.

Ms B and Mr C disputed their claims record and weren't happy that their policy wasn't going to be renewed. They asked UKI to remove reference to all three claims from their records.

UKI said it couldn't remove the storm claim from its system or the Claims and Underwriting Exchange (CUE). That was because Ms B and Mr C had made a claim but chosen not to pursue it because of the £500 policy excess. It said it was obliged to log every contact about a potential claim even if the claim didn't proceed. It said it would remove the subsidence claims as they had been logged in error. It paid them £300 compensation for this.

With regard to renewal of the policy it said it wasn't offering renewal "*due to an area restriction put in place by our underwriters*". It said this had nothing to do with Ms B and Mr C personally or their claims history.

Ms B and Mr C referred their complaint to our service. I issued a provisional decision explaining why I was minded to uphold their complaint in part. An extract from my provisional findings is set out below:

*"I think it would be helpful for me to summarise how CUE works. It is a database containing details of all claims, attempted claims or incidents resulting in a loss, whether insured or not, that are disclosed to an insurer. Its purpose is to help insurers identify misrepresentation and fraud. Not all insurers are signed up to CUE but the majority are. If an insurer is signed up, they make a record of every incident they've been made aware of regardless of whether it leads to a claim.*

*My understanding is that originally UKI logged a storm claim, two subsidence claims and an accidental damage claim. When Ms B and Mr C first complained, UKI realised the second subsidence claim was a duplicate of the first and removed it.*

*I've looked at a recent CUE record for Ms B and Mr C's address. It lists a theft claim from 2016 with a different insurer and a storm claim from 2023. That indicates UKI has removed the reference to the accidental damage and subsidence claims which I think is fair.*

*I need to decide whether UKI treated Ms B and Mr C fairly in recording them as having made a storm claim. I've listened to the call when Ms B rang UKI about this. She said she was calling to register a claim as one of the panels in their conservatory roof had "blown". UKI said it could start a new claim for her and checked the weather records around the time she*

*thought the damage had happened. It found that there had been hail at that time. When UKI advised that Ms B would have to pay a £500 policy excess, she decided not to take the claim any further.*

*I think it's normal for an insurer to make a record of an incident like this discussed with a policyholder even if the claim isn't then pursued. UKI was obliged to record details of any incident it was aware of and I think Ms B's discussion with it about a storm claim falls into this category. So I'm satisfied that UKI has acted fairly in recording this as a storm claim.*

*Although the CUE record of the storm claim records that nothing was paid for the building, it refers to an "other payment" of £300 and a total claim payment of £300. Our Investigator asked UKI about this and it said the £300 was a reference to the compensation paid to Ms B and Mr C. I think this was misleading as it was for poor service rather than part of the claim. I intend to require UKI to correct this.*

*Also UKI referred to the claim as "closed" when in fact it had been withdrawn. I think UKI should correct this.*

*I intend to require UKI to pay Ms B and Mr C a further £50 compensation for the additional inconvenience caused by this inaccurate record.*

*Insurers can decide what risks they are prepared to cover. They are also entitled to change their underwriting criteria from time to time to reflect their changing appetite for risk. We don't usually interfere with that. UKI has told us it was no longer prepared to offer cover for the area where Ms B and Mr C lived. I'm satisfied UKI has applied its underwriting criteria fairly to Ms B and Mr C. It was entitled to make this decision. And I'm satisfied that it told them in good time for them to arrange alternative cover."*

In summary Mr C made the following points in response:

- He and Ms B don't dispute having a conversation with UKI about a loss that might have been covered under their policy. But they don't think that should be recorded as a claim.
- They don't recall making a theft claim in 2016 or a storm claim in 2023.
- Their insurance premium had doubled as a result of their claims record when they hadn't actually made any claims.
- They felt a further £50 compensation was an "insult".
- They felt the compensation already paid by UKI amounted to an admission of guilt.
- They totally accepted that the insurer had the right not to offer renewal of the policy.

UKI accepted my provisional 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 crux of this complaint is about what amounts to an enquiry and what is a claim. Ms B and Mr C believe they merely made an enquiry in 2023 and are naturally disappointed to learn that it was recorded as a claim. But during her call to UKI Ms B was talking about an incident that had recently happened. She wasn't talking about a hypothetical situation. Initially she said she wanted to make a claim and she only withdrew that later in the call when she was reminded of the policy excess.

As mentioned in my provisional findings UKI was obliged to record details of any incident it

was aware of which might have led to a claim and I think Ms B's discussion with it about a storm claim falls into this category. So I remain satisfied that UKI acted fairly in recording this as a storm claim.

I can't require UKI to do anything about the 2016 theft claim. Ms B and Mr C will have to make a separate complaint about that to whomsoever their insurer was at that time.

I don't know the basis on which Ms B and Mr C's new insurer has calculated their premium. Different insurers calculate their premiums in different ways. So I can't be sure whether the information on the CUE database, which was largely correct, was a factor. It would have been clear to their new insurer from the record that nothing was paid out on the claims. Overall I haven't seen evidence to show that the mistakes UKI did make with the records on CUE unfairly caused the premium to rise so much. So I don't think it would be fair to make UKI pay any more in respect of this than the compensation for trouble and upset.

I'm sorry that Ms B and Mr C felt insulted by the award of a further £50 compensation. This wasn't my intention at all. It was intended to reflect the inconvenience they might have been caused by the CUE record still being inaccurate in minor respects. It's in line with our approach in similar situations and I haven't seen any evidence to persuade me that a higher award would be justified.

UKI acknowledged its mistake in logging two subsidence claims against Ms B and Mr C's names. It has also accepted my provisional decision that there were further inaccuracies in the CUE record. The compensation which it offered and which I've increased was intended to reflect the trouble and upset caused by that. It was in no way an admission that it was wrong to log the enquiry about the storm claim on CUE in the first place.

### **My final decision**

I uphold this complaint in part and require U K Insurance Limited trading as Prudential Home Insurance to:

- remove the compensation costs of £300 from the CUE record of the storm claim and show the storm claim as having been withdrawn; and
- pay Ms B and Mr C compensation of £50 in addition to the £300 already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B and Mr C to accept or reject my decision before 5 March 2026.

Elizabeth Grant  
**Ombudsman**