

The complaint

Miss A complains that U K Insurance Limited (UKI) unfairly handled a claim under her Motability car insurance policy.

What happened

Miss A has a Motability car insurance policy, underwritten by UKI. In March 2025, Miss A's car was damaged by a third-party and so she made a claim under the policy. UKI accepted the claim, but Miss A was unhappy with the way it was handled. She said UKI's repairs were not satisfactory, it failed to provide her with a suitable courtesy car, and the car was returned to her in an unsafe state. So Miss A complained to UKI.

UKI upheld the complaint and paid Miss A £300 in recognition of the service it provided. In its final response, it recognised the repair works were initially not carried out to an acceptable standard, but it had taken steps to rectify this. It acknowledged Miss A remained unhappy with the quality of repairs, and agreed to send out another independent engineer to inspect the car but failed to arrange this. It said if Miss A was unhappy with the service she received from the hire car company, she could raise her concerns to it directly. As Miss A remained unhappy, she referred her complaint to our Service.

Upon referral to our Service, UKI explained that it wanted to proactively settle Miss A's complaint as it didn't think its original offer was sufficient. It offered to increase its compensation to £500. Miss A declined this offer and asked for our Service to investigate.

Our Investigator upheld the complaint and recommended UKI increase its compensatory offer to £650 in total – as they said UKI's appointed repairer's standard of works led to Miss A being left with a hire car that wasn't suitable for her individual circumstances. This led to significant difficulties and impacted both her and her family over this time.

UKI accepted our Investigator's view, however Miss A didn't. She provided a comprehensive response but in summary said she disagreed because the increased compensation didn't reflect the impact of UKI's failings and the consequential losses she incurred. Miss A also said that UKI left her with a car which was unsafe to drive and posed a significant risk to both her, and her family. And so, she was of the view that UKI should increase its compensatory sum significantly.

As the case couldn't be resolved, it has been 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 know I've summarised the circumstances of this case in less detail than presented. But I want to assure both parties that I've carefully considered all the information provided. I may not respond to every point or piece of evidence. But I've focused on the issues I consider to be key to the outcome of the case. This isn't meant as a discourtesy but reflects the informal

nature of this Service – and the rules this Service are expected to adhere to enable me to do this.

Having reviewed the available evidence, I am upholding this complaint – much for the same reasons as our Investigator. While I recognise Miss A will be disappointed with my outcome, I'd like to explain why I have taken this position.

Relevant regulatory rules say firms must handle claims promptly and fairly. As Miss A's claim was accepted, I won't comment on the overall claim validity. But UKI has a duty to move a claim forward reasonably and avoid unnecessary delays. So, I need to decide whether UKI progressed Miss A's claim in a reasonable way.

It isn't in dispute that UKI initially completed unsatisfactory repairs. This is documented in an independent engineer's report which UKI arranged. However, where repair works haven't been completed to an acceptable standard, it isn't unreasonable that UKI look to arrange rectification works – which it did in this case following an expert report. While I recognise Miss A found this to be upsetting and inconvenient, I don't think UKI acted unfairly in arranging for the additional work to be completed by its appointed repairer. But I recognise that the delay in having her car returned would've been upsetting and caused inconvenience to her day-to-day life.

Miss A has said that following the subsequent work, the car remained in an unsatisfactory condition. However, UKI has provided evidence from the independent engineer confirming they reassessed the car following the rectification works, and these were completed to an acceptable standard and in line with the manufacturer's specifications. And so, the car had been returned to its pre-accident condition. Miss A hasn't provided any further expert evidence which contradicts the expert's opinion or supports her concerns that the car remained in an unsatisfactory condition upon its return to her. And I don't find it unreasonable that UKI has relied on the evidence provided by the independent engineer given they are a suitably qualified expert in this field. As such, I'm more persuaded that UKI completed the repair works to a satisfactory standard.

Miss A also said the car was returned to her in an unsafe condition, as the engine cut out while on a busy road. And due to this, Miss A made the decision to return the car under the Motability scheme and arrange a new car. This incurred a cost which Miss A said UKI should reimburse. I recognise having had the car cut out on her would have been significantly worrying. However, I haven't seen anything to show the engine issue was accident or repair related. So, I can't fairly hold UKI responsible for the costs Miss A incurred when she changed her car under the Motability scheme, as on balance, I'm not persuaded Miss A has shown that UKI's actions led to her having to change cars.

I understand Miss A was provided with a replacement car while her car was being repaired, however this was unsuitable for her needs as it was a five-seater car, but she has a family of six – and Miss A has explained that three of her children are disabled. While I'm empathetic to the difficulties Miss A and her family experienced due to being provided with a car unsuitable for their needs, responsibility for supplying and managing replacement cars sits with Motability Operations rather than UKI. So UKI isn't the business responsible for arranging a suitable courtesy car in this context. Miss A would be best placed to refer these concerns to Motability should she be unhappy with its service.

That said, while UKI isn't responsible for providing Miss A with a replacement car under the Motability scheme, the failure to repair Miss A's car in a reasonable timeframe left Miss A without her car for a number of weeks as it wasn't returned to her until May 2025. Had UKI's original repairs been completed to an acceptable standard, Miss A would've had access to

her car much sooner than she ultimately did here. So, I agree UKI should award compensation to reflect the impact of this delay.

Miss A also claimed for the costs of replacing child seats and a pram that was in the car at the time of loss. UKI confirmed, at the point it provided its file to this Service, that these items had been passed to the third-party insurer as costs it intended to recover but hadn't yet been settled. As no settlement was made in relation to these items at the point of complaint, I won't look to comment on these further. But if Miss A is unhappy with any subsequent response from UKI about these issues, she would need to raise this with UKI directly as it has to be given the opportunity to address issues first before we can consider them.

Insurance claims are rarely worry or trouble free due to their very nature – as they can take time given the number of parties involved and each claim's individual complexities. However, UKI should look to mitigate distress and inconvenience beyond what is typically expected. Looking at the overall claim journey, there were instances where UKI failed to follow up with actions it had agreed and provided poor communication. Taking this into account alongside the inconvenience and upset in having had unsatisfactory repair works completed and overall delay, I agree UKI's original offer of £300 wasn't reasonable.

Our Investigator recommended UKI pay Miss A £650 in total. Taking the overall service into account, I don't find this sum to be unreasonable in the circumstances. This is consistent with our award bands where a firm's actions have caused significant distress and inconvenience over a number of weeks. I will therefore be directing UKI to pay a total of £650 to Miss A in recognition of the service she received. But I won't be directing UKI to take any action beyond this.

My final decision

For the reasons I have explained above, I uphold this complaint and direct U K Insurance Limited to:

- Pay Miss A £650 in total in recognition of the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 29 April 2026.

Oliver Collins
Ombudsman