

The complaint

Mr M has complained about the way his motor insurer, U K Insurance Limited trading as Churchill (UKI), dealt with a claim he made on his policy.

What happened

In May 2024, Mr M's car was damaged while parked in a car park. Initially, he tried to claim for the cost of the repairs via the companies he held responsible for the damage to his car but was unsuccessful. So, he wrote to UKI to make a claim in December 2024 and February 2025 but he didn't receive a response. He then called UKI in May 2025 to register his claim. UKI then arranged for Mr M's car to be taken to an approved repairer and a hire car was provided.

Mr M complained about UKI delaying his claim by failing to respond to his initial letters. He also complained about UKI's communication about the hire car which he says was confusing and made him anxious to use the hire car normally. In its response to the complaint, UKI said it hadn't caused any delays as its policy documentation made clear how to register a claim and it hadn't received Mr M's letters. UKI also felt it had communicated clearly about the hire car.

Unhappy, Mr M came to our Service for an independent and impartial review. Our Investigator felt UKI had acted fairly. Mr M disagreed and asked for an Ombudsman to review the matter, so this complaint has come to me to decide.

I issued a provisional decision on Mr M's complaint. This is what I said about what I'd 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 intend to partially uphold this complaint and I'll now explain why.

I'm aware I've set out the background to this complaint in less detail than the parties have presented it. I'm not going to respond to every single point raised. Instead, I've focused on what I find are the key issues here. I assure both parties, however, that I've read and considered everything they've provided.

I also want to make clear that under this complaint I'm only considering the issues UKI addressed in its final response of 12 June 2025. Following our Investigator's view, Mr M raised concerns about his no claims discount being affected and his renewal premium increasing. However, these concerns weren't part of Mr M's initial complaint to UKI, so I can't address them here. UKI has to be given the opportunity to address issues first before we can consider them, so Mr M will need to raise a new complaint. If he's dissatisfied with UKI's response, or it doesn't respond within eight weeks, he can ask our Service to consider the matter.

Industry rules set out by the regulator say insurers must handle claims promptly and fairly.

They must also provide reasonable guidance to help a policyholder make a claim, as well as appropriate information on its progress. I've kept this in mind while considering this case together with what I consider to be fair and reasonable in all the circumstances.

Delays

Mr M has provided copies of the two letters he sent to UKI in December 2024 to register his claim. These letters were sent to UKI's registered office which is the address printed in the policy documents. As Mr M didn't receive a reply to the letters, he used an address he found online and sent a third letter in February 2025 but this was returned to him as undeliverable.

The policy terms make clear how to make a claim and writing to UKI's registered office isn't the usual way to do it. However, given that Mr M's first two letters were sent to its registered office, I would've expected UKI to acknowledge and respond to these letters. So, I asked UKI if it had received Mr M's letters. UKI confirmed the letters were scanned to Mr M's policy and forwarded to their claims team in January 2025. However, as the claim wasn't registered until Mr M called in May 2025, I'm satisfied UKI didn't treat Mr M fairly here. I think that UKI caused a delay here of about four months.

I think the above delay caused Mr M unnecessary distress and I can see that he was inconvenienced by having to write to UKI again in February 2025 until he decided to call them in May 2025. So, I think it's fair UKI pays Mr M some compensation to put that right. Having considered our award bands alongside the impact on Mr M, I think £150 compensation is an appropriate amount.

Car hire

Turning to the hire car issues, I note the policy terms make clear the following:

"Paying a deposit

When you collect your hire car, the hire car company may charge you a refundable deposit. When you return the hire car, this deposit will be refunded to you. This will be covered by the hire car company's terms and conditions...

The hire car company's terms and conditions apply as well as ours. They'll give you a copy of these when you collect the hire car. If there's any conflict between our terms and the hire car company's, our terms will apply".

I appreciate Mr M has said he wasn't expecting to provide his card details but the policy terms make clear the hire car company may charge him a refundable deposit. I note this is standard practice in the industry so I don't think this is an unusual term. In response to our Investigator's view, Mr M said he didn't receive his policy booklet and so he wasn't aware of his policy terms. However, Mr M himself has provided us with a copy of UKI's letter dated 5 November 2023 which states:

"We've also included your Insurance Product Information Document and policy booklet. Your policy is made up of your car insurance policy booklet, your car insurance details and your motor certificate".

I'm therefore satisfied UKI provided Mr M with the policy booklet. However, if Mr M didn't receive it, I would've expected him to have raised this with UKI at the time. Ultimately, UKI is entitled to rely on its policy terms and I think it has applied them fairly here.

I also think UKI communicated clearly with Mr M about the hire car and its duration. I say this because its letter of 12 May 2025 stated:

“You can keep it for up to 21 consecutive days, or until the vehicle repairs have been done (whichever is sooner)”.

I can also see UKI’s approved repairer spoke to Mr M on 16 May 2025 to book his car for repairs for 30 May 2025. They confirmed they’d call Mr M again with an update on 3 June 2025. I’ve listened to the call of 3 June 2025 when Mr M called UKI to ask when the repairs would be completed. The adviser explained they would text Mr M when the car was repaired. Mr M said he was going on a two-day trip later that day and that he was worried he’d get a text saying the car was repaired and he’d have to cut his trip short. The adviser assured Mr M that as he was only going away for two days that would be fine. However, the adviser called the repairer to check if they could give an indication as to when the car would be repaired. The repairer confirmed the car would be ready the following day, to which Mr M responded he better not go away.

So, I don’t think Mr M was provided with conflicting information about the duration of the hire car or that it caused him to cancel his trip. I’m satisfied UKI’s adviser was clear that Mr M being away for a couple of days wasn’t going to be an issue and that it was Mr M’s choice to cancel the trip. I appreciate Mr M felt anxious about using the hire car but I don’t think this was because of anything UKI did wrong. So, I don’t intend to require UKI to do anything further with regards to this aspect of Mr M’s complaint”.

Responses to my provisional decision

I invited both Mr M and UKI to respond to my provisional decision. UKI accepted my provisional decision but Mr M didn’t. He said the £150 compensation I intended to award didn’t adequately reflect the distress and inconvenience he experienced as a result of the four-month claim delay UKI caused. Mr M maintained the cancellation of his short trip was due to the lack of clarity UKI created around the hire car and not a personal choice. He also said that although he referred to ‘a couple of days’ when speaking to UKI, in reality his trip would’ve required several days.

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 carefully considered Mr M’s response to my provisional decision. But I’ve focused my comments on what I think is relevant. If I haven’t commented on any specific point, it’s because I don’t believe it has affected what I think is the right outcome.

I note Mr M’s comments but I maintain that the £150 compensation I awarded due to UKI’s handling of the claim to be fair, reasonable and proportionate to reflect its service failings and the impact on him. I say this because Mr M’s car was damaged in May 2024 but he didn’t contact UKI to make a claim until December 2024. I appreciate Mr M initially attempted to claim for the repairs via the companies he held responsible but I think that if he wanted to mitigate his position and repair his car as soon as possible, he would’ve contacted UKI sooner.

I also think that Mr M must take some responsibility for the delay. I explained in my provisional decision that the policy terms make clear how to make a claim. And the method Mr M chose to notify UKI of the claim isn’t the method required by the policy terms. The policy terms explain that to log a claim, the policyholder needs to call as Mr M did

subsequently do in May 2025 and the claim was recorded and progressed then.

With regards to the hire car, I remain satisfied that UKI's letter of 12 May 2025 made clear that Mr M could keep it for up to 21 consecutive days, or until his car repairs were complete. And UKI also assured Mr M during the call of 3 June 2025 that as he was only going away for a couple of days that would be fine and it wouldn't attempt to collect the hire car without speaking with him first. Mr M has now said that while he mentioned a couple of days, his trip would've required several days. However, UKI could only advise based on the information Mr M gave it at the time. I appreciate Mr M felt he couldn't go on his trip but I don't think this was due to a lack of clarity from UKI. So, I don't think UKI was responsible for Mr M deciding to cancel his trip.

I've carefully considered Mr M's submissions but they haven't changed my thoughts on this complaint, or my direction for putting things right. So, I'll be directing UKI to put things right as set out in my provisional decision.

My final decision

For the reasons provided I partially uphold this complaint and direct U K Insurance Limited to pay Mr M £150 compensation for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 March 2026.

Linda Tare
Ombudsman