

The complaint

Mr W complains about U K Insurance Limited's (UKI) actions after he claimed on his motor insurance policy. In particular he thinks UKI undervalued his car and provided poor service while failing to recognise his cognitive disability.

Mr W's policy is branded in the name of the insurance intermediary which administers it. But as UKI is the policy underwriter it maintains responsibility for claims and complaints about those. So, in this decision I will only refer to UKI.

What happened

Mr W was in an accident. He reported it to UKI which collected his car and took it to one of its approved repairers. The estimate for repairs was more than UKI said the car was worth. So it deemed the car a total loss, which UKI referred to as being 'written off'.

Mr W was unhappy with a number of aspects of UKI's service, most notably that he believes it has undervalued his car. He complained.

UKI issued its complaint response on 28 February 2025. It acknowledged it hadn't done everything well. So it upheld some aspects of Mr W's complaint. It paid him £350 compensation to address the impact of its errors. But it thought it had valued his car fairly.

Mr W remained dissatisfied and brought his complaint to the Financial Ombudsman Service. One of our Investigators looked into it. He thought UKI had already done enough to put things right.

Mr W didn't agree with our Investigator's complaint assessment. So as the matter remains unresolved it's been passed to me to determine.

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.

Since UKI responded to Mr W's complaint he has continued to raise concerns with it. However, in line with our usual process, I do not intend to address any points raised after UKI issued its complaint response in February 2025.

Since our Investigator's assessment of the complaint, it's apparent that the key concern for Mr W is the valuation of his car. So I will focus on that in more detail below. But, for completeness, I will briefly address Mr W's other points of complaint in the same order our Investigator presented them in his assessment.

Did UKI unnecessarily move Mr W's car to a storage area far away from the approved repairer?

UKI's approved repairer is located only a few miles away from Mr W's house. However, after collecting his car from his home address Mr W believes UKI moved it to a remote storage area which he says was at least 60 miles away. He says this caused unnecessary expense.

UKI doesn't dispute that, after collecting Mr W's car, the recovery agent initially took it to its depot rather than directly to the garage which is local to Mr W. The reason for this isn't documented in the file that I've seen. But Mr W's policy says that following an accident UKI

may move his car to a place of safe storage. That's what happened here and I don't think there's anything inherently unfair about it.

Further, I've seen that, depending on the route taken the storage area is only around 17 miles away from Mr W's house and a slightly shorter distance to the garage. So, at most, that would be a round trip of 34 miles. That doesn't seem an unreasonable distance to me

I'll add that UKI would have nothing to gain by transporting the car any further than it needed to. The recovery agent is a third party who will bill UKI for its work. So UKI would not profit from moving the car any further than is necessary.

Mr W's recently said that the third party insurer's representatives are disputing the costs of this recovery. I haven't seen the details of the ongoing proceedings between UKI's and the third party insurer's representatives. But it's certainly not unusual during such a process for one party to question the other side's outlay, even where that outlay was incurred legitimately. And as I've said above, I'm not persuaded that UKI did anything unfair or unreasonable even if that's how the other side's representatives are trying to portray it.

Transporting Mr W's car facing forwards

Mr W's car was damaged at the front and he was concerned that, if towed or transported facing forwards the bonnet would not be secure and so might incur or cause further damage. So he asked UKI to transport it facing backwards. But he later learned that the recovery agent had towed it facing forwards. UKI acknowledged that it hadn't done what Mr W had asked for and upheld this aspect of his complaint.

It's not clear how the above happened as UKI has a note indicating it passed on Mr W's concerns to its recovery agents. However, in the end, no further damage was caused to the car. So transporting it face first didn't have any actual impact on events, but I do understand why it added to Mr W's concerns at the time.

UKI failed to note Mr W's cognitive disability

It's apparent that in an early call with UKI Mr W told it of his cognitive disability but it didn't initially record this or take any steps to allow for that. However, it's notable that as soon as Mr W pointed out this oversight to UKI it took steps to put things right.

That said Mr W remained dissatisfied with the manner in which UKI dealt with him. For example it didn't always provide its written answers to his questions in the manner he'd asked for and he feels that it discriminated against him as a result. I need to say that it's not for me to determine whether or not UKI breached any form of equalities legislation. That would be a matter for the courts. However, while I recognise, as UKI has, that it didn't always act appropriately, there's no evidence it did so wilfully or with any intent to make things more difficult for Mr W. And UKI recognised the impact of its errors when it awarded him £350 compensation. I think that was a reasonable response in the circumstances.

Did UKI fail to instruct its legal team to assist Mr W in claiming for his uninsured losses?

Mr W felt that UKI hadn't responded to his request for help in claiming against the other side for his uninsured losses. But I think he was mistaken. I've seen that shortly after he reported the incident UKI sent the appropriate referral for legal representatives to contact Mr W. There was certainly no delay at that point. The legal team then contacted Mr W in January 2026. I don't find that an unreasonable delay.

UKI misplaced evidence and Mr W had to submit it on multiple occasions

UKI acknowledged that, despite the fact that Mr W had already submitted dashcam footage, it asked him to submit this again. I also note that, initially, it asked him to submit video evidence using links that didn't work. Then after he did successfully submit it, it asked him to provide it again. It's not clear why this happened but I can understand how frustrating this must have been for Mr W. That said I can see that UKI acknowledged this and considered it

while awarding compensation, which I think was a reasonable response in the circumstances.

Did UKI delay in determining liability?

I'm aware that Mr W thinks UKI didn't act quickly enough to decide liability. But again I think he's mistaken. UKI accepted Mr W's evidence that he was not at fault for the accident and have maintained that position throughout. However, determining liability is not an issue that can be decided by one side alone, both sides either need to agree or the matter needs to be determined in court.

In this case it was only four days after Mr W reported the claim that UKI sent its allegations, holding the third party to blame for the accident, to the third party insurer. UKI then chased the other side promptly for a reply in January and February 2026. So, at the time UKI responded to Mr W's complaint it had not delayed in trying to resolve the liability issue.

Was UKI's valuation of Mr W's car fair?

I'll now turn to what I believe is the key outstanding matter concerning Mr W's complaint. That is, he thinks UKI grossly undervalued his car. In particular he doesn't think UKI's valuation reflects some of the additional extras and benefits his car enjoyed.

As our Investigator has already explained, assessing the market value of a car is not an exact science. And it's not my role to value vehicles. Rather, my role is to see if a business has handled matters fairly and reasonably.

Mr W's policy says that in the event his car is deemed a total loss UKI will pay him the car's market value. The policy defines market value as:

"The cost of replacing your car with another of the same make and model, and of a similar age, mileage, and condition at the time of the accident or loss."

When looking into these types of complaints we check trade guides, adverts and other relevant evidence. We generally find the guides most persuasive as they're based on nationwide research of likely selling prices. So, they're often more reliable than individual adverts. And I've considered if UKI's offer to settle Mr W's claim is fair and in line with the policy terms and our general approach.

In this case, after consulting the trade guides, UKI initially valued Mr W's car at £12,356. Mr W was very unhappy with that valuation. He sent it receipts for some work he'd had done on the car, including for some repairs, a paint protection film (PPF), and an 'infotainment' upgrade. While UKI didn't think the majority of those things increased the value of the car it said the addition of the PPF would add value, and it then increased its valuation to £13,693. That's a decision it's entitled to come to. Mr W still thought that figure fell well short of the mark as he's spent far more than that on repairs and upgrading the car. He also said it didn't reflect the increased value the car's 'free supercharging' added to it. So I've thought very carefully about whether or not UKI's valuation is fair and reasonable in these circumstances.

Given the competitive market for second-hand vehicle sales, and to minimise the risk of detriment to the policyholder, the Financial Ombudsman Service feels that the starting point for any settlement should be the highest valuation returned by the trade guides. Then, if an insurer wants to pay less, or a consumer thinks they should be paid more, they will have to evidence why that is fair. It might be that there's persuasive evidence, for example from adverts or other independent reports, which suggest that another value, lower or higher, is fair in the relevant circumstances.

We've checked the same four commonly used and industry respected trade guides UKI referenced using the details of Mr W's car and its mileage. Those returned valuations of £8,242, £8,430, £12,356 and £12,931.

As I've said above, the starting point for any settlement should be the highest valuation returned by the trade guides. In this case that sum is £12,931. So UKI's valuation, after factoring in his aftermarket modifications, of £13,693 is above that.

Mr W remains dissatisfied; he believes the money he's spent on the car has increased its value even further. However, while certain optional extras or additions may increase a car's value that's certainly not always the case.

I'll say first that Mr W submitted invoices for work done for repairs and maintenance. However, those are not things which are regarded as increasing the value of the vehicle. That's because those are necessary expenses to keep the car in good condition and so maintain its value.

I also considered if any of Mr W's aftermarket upgrades might have increased the value of his car. I'll explain that one of the trade guides has the facility to examine if certain optional extras will add to the market value of the car. But none of the things Mr W's had done to his car returned an increase in its value. So I'm not persuaded that the additions to Mr W's car increased its value.

Mr W's also referred to the 'free supercharging' his car enjoyed. He referred to an online article, which he believes indicates that free supercharging increased the value of his car by £5,000. But I'm not convinced that's an accurate interpretation of the article. In fact the article – dated from December 2024 – talks about the manufacturer increasing the price of certain models of the car for the first time in a number of years. That price increase was \$5,000 not £5,000. And the article says that price increase was for the United States market alone. It went on to say that alongside the price increase for the car, the manufacturer would again include free supercharging as standard. But it did not at any point say that the reason for the price increase was because of the free supercharging.

Further my understanding is that, generally, free supercharging was offered as standard on Mr W's model of car in the year his was manufactured. So, it will be rare for a car equivalent to Mr W's not to benefit from that. And in those circumstances, given that most of the cars will have it, that will not elevate the value of Mr W's car above equivalent cars on the market. It follows that I'm satisfied the 'free supercharging' did not increase the value of Mr W's car.

Mr W also commented that he didn't think the high mileage on his car would have reduced its value. But I'm satisfied that he's wrong. It's well known in the motor and insurance industry that, after the make and model, two of the most important factors affecting a car's value are its year of manufacture and its mileage. Mr W's car had very high mileage for a car of its age and that has undoubtedly affected its value.

I'll add that Mr W provided numerous adverts for cars which were being offered at a higher price than UKI valued his car at. But the majority of those were not for the same model and year as his. And of those that were, they generally had much lower mileage, typically less than 50% of his car's mileage. So I don't think those are a reasonable comparison with Mr W's car.

As I've said above, my role is not to value Mr W's car but to decide if UKI's valuation was fair and reasonable. And given that it valued Mr W's car at a figure higher than any of the trade guides returned, I think it's arrived at a fair valuation. So I'm not going to instruct it to take any further action on that point.

Did UKI fairly deem Mr W's car to be a total loss?

Mr W said that following a previous accident UKI had repaired his car but on this occasion it had deemed his car a total loss. However, regardless of what UKI might have done on a previous occasion in this instance the estimate to repair Mr W's car was £15,940. That sum is £2,243 more than UKI valued Mr W's car at. That clearly demonstrates that the car was not economical to repair. And that is a decision Mr W's policy entitles UKI to make. In the circumstances I think it did so fairly and reasonably.

Did UKI provide a reasonable hire car?

Mr W wasn't satisfied with the size of the hire car UKI's partners provided; he said it was too small and costing him more to run. However, I don't think UKI did much wrong here. Mr W's policy says it will provide him with a car but it can't guarantee the hire car would be of the same size, type, value or status as his own car. In this case the car provided, while slightly smaller, was of a roughly equivalent size and it used the same fuel method. So while it wasn't a like-for-like replacement, it did fulfil what the policy offered.

I've noted that UKI did uphold this element of Mr W's complaint. But I understand that was because it referred him back to its hire car providers to see if they would give Mr W a different car. However, that wasn't appropriate as Mr W already had an appropriate car according to his policy terms. So UKI upheld this point because it had given Mr W misinformation and not because it had made a mistake with the type of car supplied.

Did UKI fail to consider Mr W's cognitive disability when paying the total loss valuation to him?

UKI paid Mr W its total loss valuation of £13,693 at a point when he had not agreed to that settlement. Mr W feels that in doing so it disregarded his cognitive issues and denied him the ability to seek a second opinion. However, UKI confirmed that, at that point, the car had not been scrapped and was still available should Mr W have wanted to seek a second opinion.

Further, it's notable that by this time UKI had clearly made a record of, and adjustments for, Mr W's cognitive disability. And it's a fairly standard process when an insurer is satisfied that it's arrived at a fair and reasonable valuation to pay that sum to the consumer. So I don't think this is evidence of UKI treating Mr W differently to others in a similar situation because of his cognitive disability. It follows that I'm satisfied UKI acted fairly and reasonably here.

Communication and summary

UKI acknowledged it didn't get everything right: it didn't note Mr W's cognitive disability initially; occasionally asked him to resubmit things he'd already provided; and didn't always respond in his preferred manner. However, in recognition of the impact of those things it paid Mr W £350 compensation. I think that's a reasonable sum in the circumstances. That's because it's in line with other awards we make in cases of similar seriousness where a business's actions have resulted in some distress and inconvenience over a period of weeks. So I'm not going to instruct UKI to take any further action here.

My final decision

For the reasons set out above I do not require UKI to take any further action concerning the complaint points above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 May 2026.

Joe Scott
Ombudsman