

The complaint

Mr B complains about U K Insurance Limited's decision not to offer cover for his Motability scheme vehicle.

What happened

Mr B leases a vehicle under the Motability scheme. He had insurance underwritten by UKI to cover himself and another named driver.

After carrying out a mid-lease review, UKI decided not to offer further cover for Mr B. This decision was based on the number of accidents Mr B and the named driver had been involved in over the previous two years or so.

Mr B wasn't happy with this and made a complaint to UKI. They didn't uphold the complaint. They pointed to eight claims Mr B had made between December 2023 and October 2025.

They said an underwriter had reviewed that history and determined that cover wouldn't be offered. A decision which was later confirmed on review, after Mr B appealed.

Mr B then brought his complaint to our service. He's stressed the very significant impact it will have on him if he can't obtain insurance for the Motability lease car, given that he lives in a rural area and relies on the car for transportation.

Mr B also says UKI haven't properly taken into account the fact that the vehicle had a braking fault which explains the high incidence of accidents.

Our investigator didn't think Mr B's complaint should be upheld. Mr B disagreed and asked for a final decision from an ombudsman.

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.

Mr B has made eight claims in under two years (three of which were non-fault, whilst liability was still to be determined in one case). The total costs amount to over £80,000. Both drivers on the policy have been involved in four accidents.

UKI have provided underwriting evidence to show that claim record puts Mr B well outside their risk appetite. Mr B will appreciate that we can't tell insurers how to rate risk or who to insure. I'm satisfied UKI have not treated Mr B differently to any other similar customer.

Insurers are entitled to determine what risks they wish to insure – and, if so, at what price. I understand the nature of the Motability scheme. And I understand the impact this might have on Mr B. However, it's not for us to instruct UKI to insure a risk that it's very clearly beyond their usual appetite and outside their criteria for providing cover.

Mr B says UKI ought to take into account the fact that a persistent braking fault has caused

some of the accidents. The evidence he's so far provided suggests a fault with the braking system after one accident (and it doesn't go to causality even in that case).

He's also provided no evidence to suggest he referred the problems with the car to the RAC, the dealer, or the scheme itself, as is required by the terms of the scheme.

If Mr B has further evidence that the brakes were at fault at other times, he can provide that to UKI and ask them to reconsider. As things stand, I can't say UKI have unfairly ignored or downplayed evidence about faults with the car. And I note two of the accidents occurred when Mr B or the named driver was driving a courtesy car.

As I say, I understand the nature of the Motability scheme. However, as they've pointed out, UKI do have a duty to other scheme customers too.

They have to consider not only the needs of the particular customer (which they clearly did in this case) but also the potential effect on the affordability of the scheme for other customers, if a large number of high-value claims are made within a short space of time.

In short, as our investigator explained to Mr B, we can't tell insurers what risks to cover. UKI's underwriting criteria clearly suggest that the number and value of claims make Mr B's lease vehicle a risk they aren't willing to insure.

UKI have not behaved unfairly or unreasonably when applying those criteria in Mr B's case and/or in deciding that they wouldn't offer on-going cover.

My final decision

For the reasons set out above, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 May 2026.

Neil Marshall
Ombudsman