

The complaint

Mr E complained that a query he raised with U K Insurance Limited (“UKI”) under his home insurance policy was recorded against his policy as a claim.

What happened

Mr E contacted UKI when a third-party driver damaged a boundary wall at his property. Mr E wanted to understand the claims process and impact of a making a claim as the third party’s insurer was taking its time in progressing a fault claim themselves under their own policy.

In the end the insurer of the third-party did settle the claim. However, Mr E was alarmed when his premium increased by around 20% for his renewal with UKI the following year. He chose to move to another insurer and discovered his records indicated he’d made a claim. Mr E thought the claim had caused an increase to his premiums. He felt he should’ve been told this by UKI.

UKI said the increase in premium wasn’t because of any claim but was a consequence of changes in the market and its approach to risk. It said it was normal to record all information to maintain accurate records. It said the claim was closed and no pay out was recorded.

Mr E wants the claim to be removed from his record and to be compensated for his higher premium.

Our investigator decided not to uphold the complaint. He thought UKI had acted reasonably, and it had demonstrated the claim wasn’t the reason Mr E’s premium had increased. Mr E disagreed, so the case has been referred to 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.

Unfortunately, I’m going to disappoint Mr E as I think the investigator has reached the right outcome for this complaint. I’ll explain why.

I’ve considered Mr E’s statement that the increase in his premium with UKI was a result of the information UKI recorded about Mr E’s claim / enquiry on the national industry database. UKI have denied this, so I’ve asked it to provide evidence to support its quote.

Having viewed the calculation of the quote, I’m persuaded that the information UKI recorded didn’t have any bearing on Mr E’s premium increase at renewal. UKI introduced new risk models which were used to calculate the premium in 2023, so these naturally would’ve resulted in different premiums being derived. I can see UKI didn’t pass on the full impact of the price increase to Mr E when it set his premium. UKI have been able to explain and justify the price increase. So, I think UKI has acted reasonably as the query / claim Mr E made didn’t have any impact on his renewal premium.

The information recorded didn't show Mr E had made any financial benefit from the claim as it was closed with no pay out, so I wouldn't have thought this information was relevant for another insurer and so I'm not sure what the benefit would be in UKI sharing this with Mr E.

I haven't considered how Mr E's new insurer has reached the premium it charged, as this complaint isn't set-up for this purpose. I have no jurisdiction to consider this. However, I have been able to consider whether UKI has been fair in recording the information it did. I think it has. The information recorded is accurate. Insurers have a duty to maintain accurate records, so I can't say UKI has acted unreasonably. It's not unusual for some policies to expect policyholders to inform them if any incidents occur on the insured property, irrelevant of whether a claim is made or not. It helps the insurer keep a clear picture of the risk on that property. However, as I don't think UKI has done anything wrong, I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint. I don't require U K Insurance Limited to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 10 April 2024.

Pete Averill
Ombudsman