

The complaint

Mr S says U K Insurance Limited ('UKI') provided poor service when he made a claim on his motor insurance policy and that it wrongly continued to take direct debit payments from him.

What happened

Mr S was involved in a non-fault accident in February 2023. He complained to us in November 2023 about UKI having sent his car to a garage that wasn't manufacturer approved, about its total loss decision and the car's valuation, about delays, and about not being able to retain the car.

The Investigator who reviewed Mr S's complaint said in April 2024 that UKI should pay him more for the car, which it agreed to do. But he thought the £600 compensation it had offered Mr S was enough to cover the distress and inconvenience caused to him by its poor service and poor communication. He noted that UKI had agreed in December 2023 that Mr S could retain the car. In response, Mr S said his direct debits were continuing. The investigator said he should complain to UKI, as it hadn't had a chance to consider the issue.

Mr S contacted us again in June 2024, having complained to UKI about the poor state of the car when it was returned to him, about it having been moved between garages, and about UKI having given him incorrect information. UKI didn't agree it was wrong to move the car away from a garage where it was incurring storage charges. But it accepted that the car was returned to Mr S in a poor state and that he was given the wrong details about who had stripped it. UKI also said Mr S had been without his car for longer than he should have been and that his expectations hadn't been managed. UKI apologised for its poor service and offered Mr S £500 for the stress and inconvenience he'd faced as a result of its actions. It also said it would consider paying for any extra travel expenses he'd incurred.

Mr S wasn't happy with UKI's resolution, so a different Investigator reviewed his concerns. The Investigator noted that UKI had offered to buy the car back from Mr S, given the poor state it was in. He thought that offer, the £500 compensation, and the offer to consider Mr S's travel expenses was a reasonable way for UKI to settle the complaint. He said as Mr S still hadn't complained about the issue of the direct debits with UK we couldn't consider it.

Mr S said he'd raised that issue with UKI on numerous occasions and that we hadn't considered the information he'd provided. He also referred to having had to pay a fine for having no insurance for the car, plus the impact on him of UKI's delay in offering to buy it back. As there was no agreement, the complaint was passed to me for review.

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.

We're limited in the issues we can consider by the rules that govern this service, and I can only look at the concerns UKI dealt with in its final response letter to Mr S in February 2024.

I don't think it was wrong for UKI to move the car away from the garage where it was running up storage charges. And I think it was reasonable for UKI to accept it was wrong that Mr S wasn't told in advance about the condition his car would be in on its return. I can see how upsetting it must have been for him to see his car in such a poor state, with many parts missing, especially when he wasn't expecting it. In addition, I also think it was reasonable for UKI to accept that Mr S shouldn't have been told in error by an advisor that the garage the car was moved to after the total loss decision had stripped it. The first garage did that, to assess the extent of the initial damage.

In my opinion, UKI's offer of £500 compensation is a reasonable sum to compensate Mr S for his upset and inconvenience. And it also offered to look into refunding his travel expenses and to buy back the car, which I also think was reasonable.

Mr S told us recently that the buyback offer was made too late, as he'd already started to have the car repaired. But as the issue hasn't been raised with UKI, I can't address it. Nor can I consider the other issue Mr S raised recently - about being fined for having no insurance. Mr S will have to complain to UKI about that and any further issues he thinks were caused by its actions. If isn't happy with UKI's response, he can complain to us again.

In terms of the direct debit payments, I can see that Mr S didn't query the advice he was given by our first Investigator in April 2024, but he didn't act on it either, as far as I can see. The Investigator told him UKI hadn't been given the chance to consider the issue at that point, so Mr S would have to raise it (and any other concerns he hadn't yet complained about) with UKI. We asked UKI about it recently and it confirmed that Mr S still hasn't complained to it about the direct debits.

I've reviewed all the file notes and correspondence sent to us by UKI about this complaint, and I haven't seen any evidence of Mr S having raised a complaint with UKI about direct debit charges. Mr S sent some correspondence to us after the Investigator issued his view, and in an undated message to us, he refers to UKI still charging for the policy. In the same message Mr S says he's mentioned the monthly charges for the policy to UKI on several occasions. I can see that this issue is important to Mr S, and he's raised it with us more than once. But he needs to make a formal complaint to UKI. It must be given the chance to consider the matter before we can comment on it.

I think Mr S has faced very poor service from UKI over a sustained period, and I can see why he feels so upset and frustrated by his experience. But I think UKI has made a reasonable effort to address his concerns and has offered him what I think is a substantial sum for distress and inconvenience. I don't think it would be fair and reasonable to require UKI to do anything further. As I've said above, it's open to Mr S to raise any other concerns about UKI's actions with it and to ask us to review its response if necessary.

My final decision

My final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 December 2024.

Susan Ewins
Ombudsman