

The complaint

Mrs S is unhappy with the service she received from UK Insurance Limited (UKI) when she made a claim under her car insurance policy.

What happened

Mrs S made a claim under her car insurance policy after she was involved in an accident. UKI looked into the claim and decided to pay Mrs S the market value of her car as it was a total loss. But Mrs S wasn't happy about the delay in settling her claim.

Mrs S then bought a new car. She tried to add it to her existing policy, but she couldn't because of an error with UKI's system. This meant she had to buy cover elsewhere and couldn't benefit from a full year's no claims bonus (NCB). So, she complained to UKI.

UKI acknowledged the service it provided to Mrs S was poor. So, it offered her £250 compensation in recognition of the trouble and upset it had caused her. And it agreed to honour her a full years' NCB. Mrs S remained unhappy with UKI's offer so she referred a complaint to this Service.

Our Investigator considered the complaint. She acknowledged UKI didn't provide the best level of service but said the compensation offered by UKI was reasonable in recognition of this. Mrs S disagreed with our Investigators outcome. So, her complaint has been passed to me to decide.

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.

My role as an Ombudsman at this Service requires me to decide how I think a complaint should be resolved quickly and with minimal formality. That means I'll focus on what I consider to be the crux of the complaint. Where I don't comment on every point made by the parties, that's not to say I haven't seen or considered them, it's just I don't think it necessary to specifically reference them in reaching my decision.

Mrs S is unhappy with the delays UKI caused in paying her the market value of her car. I've considered her comments carefully. UKI deemed Mrs S's car a total loss around the end of July 2023. And I can see it sent her a cheque for the settlement at the beginning of August 2023. I don't think that's an unreasonable length of time for UKI to log, assess, and finalise a claim. So, I can't reasonably say UKI made a mistake or caused any avoidable delays in the way it handled Mrs S's claim.

While Mrs S didn't receive the cheque UKI sent her, I've seen system notes showing it was issued. So, I'm satisfied UKI sent Mrs S the cheque in settlement of the claim. I can't hold UKI responsible for any issues relating to delays with the postal service. But Mrs S did contact UKI around the middle of August 2023 letting it know she hadn't received it. I can't see UKI acted on this information, which I think it should have done. And this meant Mrs S

had to chase again in November. UKI then cancelled the cheque and paid Mrs S directly into her bank account at the start of December 2023. As Mrs S called UKI in August 2023 letting it know she hadn't received the cheque in settlement of the claim, I think it could have acted sooner. It didn't, and this caused undue trouble and upset to Mrs S.

Later, Mrs S bought a new car. She planned on adding it to her policy so she could benefit from a full year's NCB. But she couldn't due to a system error. I appreciate this must have come as a shock and disappointment to Mrs S to discover she was unable to add her car to the policy when UKI had previously told her she could. UKI accepts the service it provided fell short of the expected standards. And it offered Mrs S £250 in compensation. UKI also issued Mrs S with her NCB which included an extra year (the year in which she made the claim).

Mrs S says UKI delayed sending the proof of the NCB until after she bought cover elsewhere. This meant she wasn't able to benefit from it with her new insurer. And she says making changes to her new policy will have cost implications.

But all things considered, I find the £250 compensation UKI offered fairly reflects the impact that UKI's level of service had on Mrs S. I'm satisfied this amount is fair, reasonable and proportionate in the circumstances of this complaint. So, I make no further award.

I also think UKI's decision to allow Mrs S to have the full year's NCB is fair. That's because UKI's offer puts Mrs S back in the position she would have been in had she been able to add her new car to the policy like she wanted to. And had she done so, she'd have benefited from a full years' worth of cover and an additional year's NCB. So, I'm not asking it to do anything further.

Whilst I sympathise with the position Mrs S has now found herself in not being able to benefit from her NCB with her current insurer, I can't hold UKI responsible for this. That's because I'm satisfied UKI sent the NCB within a reasonable time frame once it realised it was unable to add Mrs S's new car to the policy. If Mrs S is unhappy with the way her current insurer has handled things or how it's failed to apply her NCB, that dispute would be subject to a new complaint and not something for me to consider as part of this decision.

My final decision

For the reasons I've explained above my final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 18 December 2024.

Adam Travers
Ombudsman