

The complaint

Mr W has complained that U K Insurance Limited (UKI) has recorded two claims against him and charged him two excesses under his car insurance policy for an incident that he considers should be treated as one claim.

Any reference to UKI includes its agents.

What happened

Mr W had an accident in the vehicle insured under his policy. When he reported it he explained that his vehicle was stationary at the time of the accident and the third party had skidded into it head on. He went on to explain that he got out of his vehicle, as did the third party briefly, and heard a child screaming in the back of the third party's van. He told the third party he would call the police and they then drove off hitting his vehicle again.

UKI recorded two claims against Mr W's policy on the basis there were two distinct and separate incidents that caused the damage to his vehicle. And it applied two £350 excesses – one for each claim.

Mr W thought UKI's approach was unfair, as he saw the whole episode as one incident. He complained to UKI, but it wouldn't alter its position. So Mr W asked us to consider his complaint. When we let UKI know about this it offered to reimburse one of the excesses, but it maintained that two claims needed to be recorded against Mr W's policy. Mr W wasn't happy with UKI's offer, as he only wanted one claim recorded against his policy. So one of our investigators considered his complaint.

The investigator upheld Mr W's complaint. He said that, while he understood UKI's position and that the terms of the policy may well have allowed UKI to record two claims and charge two excesses, he didn't feel it was fair and reasonable for it to do so bearing in mind the circumstances involved.

UKI doesn't agree with the investigator's view and has asked for an ombudsman's decision. It has said there was a clear break in the continuity of the incidents giving rise to the damage to Mr W's vehicle and therefore it was right to record two claims.

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.

Having done so, I've decided to uphold it for the same reason as the investigator.

Like with most insurance policies, Mr W is required to pay an excess towards the cost of any claim he makes. The terms of the policy also state that Mr W may have to pay the excess while UKI look into the claim, but this will be refunded if it's proven that he's not to blame and the costs can be recovered.

I agree with UKI that there is a break in what I'd describe as the chain of causation because at the time Mr W had his accident both drivers stopped and got out of their vehicles after the initial collision. So I can see why UKI think Mr W has in effect made two separate claims for two distinct events and areas of damage. But the situation Mr W found himself in was a very unusual one. And it seems the reason the other driver drove off, hitting Mr W's vehicle again, was the fact Mr W said he was going to call the police. And Mr W did this because he was genuinely concerned about the welfare of a young child.

This means it was really Mr W's concern for a young child that led to the other driver panicking and driving off. So I think it is unnecessarily harsh for Mr W to be penalised by having two claims recorded against his policy and having to pay two excesses. Also, the incidents causing the damage to Mr W's vehicle were both very close in time and all originated (albeit indirectly) from the same original cause, which was the negligence of the third party. And this is also a factor in me deciding UKI should only record one claim and charge one excess.

In view of what I have said, I consider the fair and reasonable outcome to this complaint is for UKI to record one claim against Mr W's policy for the abovementioned incidents and charge him one excess of £350.

Putting things right

For the reasons set out above, I've decided to uphold Mr W's complaint and require UKI to do the following:

- Record one claim against his policy and on any external databases in relation to the abovementioned incident.
- Reimburse the £350 excess Mr W paid.
- Pay interest on the £350 at 8% per annum simple* from the date Mr W paid it to the date of reimbursement to compensate him for being without this money.

* UKI must tell Mr W if it has made a deduction for income tax. And, if it has, how much it's taken off. It must also provide a tax deduction certificate for Mr W if asked to do so. This will allow Mr W to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

My final decision

I uphold Mr W's complaint and require U K Insurance Limited to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 February 2025.

Robert Short
Ombudsman