

The complaint

Ms D has complained about the level of service provided by U K Insurance Limited trading as Churchill (UKI) under her motor insurance policy.

What happened

The background to the complaint is known to both Ms D and UKI so I won't repeat it here. Instead, I'll summarise my understanding and focus on giving the reasons for my decision.

Ms D held motor insurance with UKI. She complains they registered claims against her policy despite her never making a claim. And her premiums with UKI and future insurers were impacted. She says in 2020 a third-party collided with her vehicle and drove off. And despite paying for repairs to her vehicle herself, and UKI failing to obtain CCTV, they've recorded a claim against her policy. And she was informed by UKI this would be wiped off her record, but that hasn't happened. She thinks UKI provided her with poor service and treated her unfairly.

UKI say the 2020 claim was recorded as notification only given Ms D correctly reported the incident. And the claim remained open while they attempted to obtain CCTV – which impacted her renewal price – until Ms D requested the claim be closed and the premium reduced. They acknowledge an agent incorrectly told Ms D the claim would be wiped off her record. But they maintain they've correctly recorded incidents on the Claims Underwriting Exchange database. And say these records could only be removed in instances such as mistaken identity, for example.

Ms D complained to UKI, but they maintained their position. They say the information recorded for Ms D's driving history is accurate, and they're unable to control how other insurers use this information to price policies. Ms D remained unhappy and asked our Service for an impartial review.

The investigator didn't recommend the complaint be upheld. While he accepted UKI incorrectly informed Ms D a claim would be wiped, he thought the incidents were correctly recorded, and didn't think Ms D had been treated unfairly.

Ms D didn't agree. She said, broadly, that UKI failed to obtain CCTV following the 2020 incident, an insurer shouldn't be able to say something then retract it regarding wiping the incident, and she's been financially impacted having to pay for repairs to her vehicle, and her premiums impacted by UKI's failings. As she didn't agree, the case was 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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to

either party – it simply reflects the informal nature of our Service.

The policy says a policyholder must tell UKI about any incident which may lead to a claim. It's helpful to explain that the Claims Underwriting Exchange (CUE) is a database for insurance incidents and claims. An insurer will make a record of any incident they've been made aware of and whether it leads to a claim or not. And they have a duty to make accurate records. In this case, Ms D contacted UKI in 2020 to make them aware of an incident where a third-party caused damage to her vehicle and left the scene.

The claim status remained open for a period while CCTV was attempted to be obtained. UKI say Ms D told them she would only make a claim if the third-party was established. I've seen from the claim notes UKI attempted to contact the footage owner by email and phone, so I can't agree with Ms D that they failed to action this. The claim remained open while this happened, until it was closed as it impacted Ms D's policy renewal price. Ms D's no-claims discount was reinstated.

I find the failing here was UKI informing Ms D because she wasn't making a claim, the incident would be wiped from the records. This was incorrect information because, as mentioned above, Ms D had made UKI aware of an incident. And although this didn't lead to a claim, UKI had a duty to make accurate records of incidents and claims. I note Ms D says in business, once a firm says something they shouldn't be able to retract that and have to stand by it. As such, she says UKI should wipe the 2020 record because they said they would. I disagree. If an insurer has made an error – such as they did here – I'd expect them to put matters right. In this case, however, the error was in the communication and not the record of the 2020 incident.

So, while I find Ms D would have experienced a loss of expectation here, I'm not satisfied this has prejudiced her position. I say this because I'm satisfied UKI fairly recorded Ms D's driving history on CUE. It follows I don't find compensation is due here.

The process an insurer will go through to rate the risk of a policy will differ. And it's for an insurer to determine the risk and price they wish to charge for a policy. As such, although I acknowledge Ms D has told us about her premiums with other insurers have been impacted because of the information on CUE, I'm unable to hold UKI responsible for this.

In concluding, while I accept UKI could have handled matters better at times – and with a higher level of customer service – I'm not satisfied UKI made any errors when recording incidents on CUE. And I'm not persuaded based on the evidence that Ms D's position has been prejudiced because of an error UKI made. So, I don't require UKI to take any action here.

I acknowledge this won't be the outcome Ms D was hoping for, but this decision ends our Service's involvement in attempting to informally resolve her dispute with UKI.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 15 August 2023.

Liam Hickey
Ombudsman