

## **The complaint**

Mr B complains that West Bay Insurance Plc (West Bay) accepted liability and paid a claim to a third party, after he specifically told West Bay that no incident had occurred. Mr B says this has had an impact on his renewal premiums and as a taxi driver it has had a detrimental effect on him mentally and financially.

## **What happened**

Mr B called West Bay, his commercial motor insurer to notify it of an incident. He said that a vehicle had braked suddenly in front of him then accused him of colliding with the rear of it. But Mr B said there was no impact and he was calling to warn West Bay that it could potentially receive a claim. He advised that he had camera footage from two dash cameras if required.

When Mr B received his renewal some months later, he noticed a substantial premium increase. When he questioned this, he was advised that West Bay had paid out on a third-party claim. Mr B was very unhappy, so he complained.

West Bay reviewed the situation, and it advised that it had recorded the incident incorrectly. West Bay apologised and proceeded to get a vehicle inspection in place. It advised that its solicitors were now looking into the issue, and it awarded Mr B £100 in compensation for the poor service it had provided.

However, Mr B says the situation had snowballed out of control since West Bays error, and that £100 didn't reflect the impact West Bays error has had on him mentally and financially. So, he brought the complaint to our service.

An investigator reviewed this complaint and suggested that West Bay treat this claim as non-fault and increase Mr B's compensation to £250. West Bay didn't agree. It said liability was still in dispute, and it hadn't done anything wrong by recording the incident as fault. It also said £100 was fair compensation for the poor service provided.

So, we reviewed the complaint again. This time an investigator agreed with West Bay and thought it had done enough.

However, Mr B was unhappy with this so he asked for an ombudsman to provide a final decision.

In an effort to resolve this case it was reviewed again, and a further outcome was suggested. Our investigator said on review that we couldn't comment on liability, given the ongoing dispute. But the investigator said that Mr B had suffered significant inconvenience and disruption because of the errors West Bay made. The investigator suggested £500 in compensation for the distress and inconvenience suffered.

Mr B replied but didn't accept or reject our investigator's recommendation. West Bay hasn't responded despite numerous reminders.

## **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'm upholding this complaint in part. I'll explain why.

In the absence of any further evidence or responses I'm inclined to agree with our investigator's view of 1 September 2022.

- I've listened to the call Mr B made to West Bay to notify the incident and I agree, West Bay recorded what Mr B said incorrectly.
- I acknowledge that West Bay has now recognised this and reopened the case.
- However, liability continues to be in dispute, so I won't be commenting on this.
- I find the fact that West Bay never requested nor reviewed the footage very frustrating as the policy, written by West Bay specifically includes an Approved Camera term.
- This is also particularly frustrating as Mr B actually offered the footage. Any comments made without seeing the footage are speculation.
- I also think that comments made by West Bay following a review of the engineer's report are speculative and not reflective of what the report actually says.

I agree with what the investigator said. Following the alleged incident Mr B did everything right. He contacted West Bay immediately. He gave his version of events. He said he had a witness and he gave their details to West Bay. He advised West Bay that he had two dashcams with footage available.

I also agree that West Bay incorrectly noted what had happened. It then sent a letter containing incorrect information to Mr B. It then dealt with the claim incorrectly as a fault, it recorded incorrect details about Mr B on an external database and it broke its own policy terms and conditions by not requesting the available dashcam footage, footage which could've determined either way who was at fault and what had happened. It initially didn't inspect either vehicle nor can I see if it ever contacted the witness.

Due to the ongoing court case I can't ask West Bay to take Mr B's name off the claims underwriting exchange (CUE) or change the recorded version of events on CUE. But I do think further compensation for distress and inconvenience is due. West Bay's actions and errors have caused Mr B a considerable amount of distress and inconvenience. Further to this, West Bay's lack of investigation means Mr B has been prejudiced. And alongside the errors it has made this means the issue is being drawn out through the courts, causing further distress.

The impact of West Bay's error is more than what someone would expect to experience in everyday life, and it may have far reaching consequences. It is a significant inconvenience and disruption that's taking a lot of extra effort to sort out. I appreciate West Bay is now doing the right thing. But £100 is not enough to compensate for what happened nor does it compensate for the additional premiums Mr B is now paying and could possibly continue to pay.

## **My final decision**

My final decision is that I uphold this complaint in part. I require West Bay Insurance Plc to:

- Pay £500 in compensation (less £100 already paid) for the distress and inconvenience Mr B has suffered for the reasons I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 October 2022.

Derek Dunne  
**Ombudsman**