

The complaint

Miss J complains about how West Bay Insurance Plc handled a claim made on her motor insurance policy and its lack of updates.

What happened

West Bay told Miss J in August 2021 that a claim was settled as non-fault and closed. But this wasn't correct. The other driver then pursued a claim against Miss J eight months later. Miss J was unhappy that she had to send her documents to West Bay three times in a month and then spent long times waiting on calls to confirm they had been received. West Bay paid Miss J £200 for her trouble and upset and reimbursed her £27.10 call costs.

Our Investigator recommended that the complaint should be upheld. He thought West Bay hadn't sufficiently compensated Miss J for the stress it had caused or for the time she had spent on calls. He thought West Bay should pay Miss J £150 further compensation for the trouble and upset caused by its claim handling and communication.

West Bay thought further compensation was disproportionate to the amount of inconvenience caused.

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.

I can see that West Bay made the initial error of telling Miss J that her claim had been settled as non-fault when it had yet to receive an admission of liability from the other driver's insurer. When the claim was re-opened, Miss J was keen to have the claim settled. She sent West Bay her evidence three times, but she was told twice it hadn't been received and she couldn't discover why not.

I think this must have been frustrating and inconvenient for Miss J. Miss J also spent long periods on the phone waiting in queue. And she didn't receive responses to some of her emails or the call back she was promised.

When a business makes a mistake, as West Bay accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

To restore Miss J's position, West Bay pressed the other insurer with her evidence. And it decided not to pursue the claim further. West Bay also reimbursed Miss J £27.10 for her call costs. I think that's fair and reasonable.

So I've considered the impact this matter had on Miss J:

- She had the shock and upset of finding out that she had been wrongly told that the claim was closed, and she was not at fault when the other insurer had yet to accept liability.
- She had the worry of having to provide West Bay with her evidence eight months after the incident and after she had been disappointed by its earlier error.

- She spent long periods on hold trying to speak to West Bay to confirm that her evidence had been received and to get updates on the claim. This was stressful and upsetting for her.
- Most of the updates were provided after Miss J contacted West Bay. So it wasn't being proactive in communicating with her which caused her further upset.
- Call handlers didn't call her back after she emailed due to the long hold times, which caused her frustration.
- This poor communication continued for three months, causing Miss J avoidable stress, and upset over a significant period.

Our Investigator thought West Bay's compensation payment to Miss J wasn't sufficient for the level of impact its errors caused. And I agree. I think £350 compensation is in line with our published guidance for the significant trouble and upset caused to Miss J over several months. And so I think West Bay should reasonably pay Miss J £150 further.

Putting things right

I require West Bay Insurance Plc to pay Miss J £150 further (£350 in total) compensation for the distress and inconvenience caused by its poor communication and handling of her claim.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require West Bay Insurance Plc to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 20 January 2023.

Phillip Berechree
Ombudsman