

The complaint

Mr K has complained about Watford Insurance Company Europe Limited. He isn't happy that it turned down a claim under his motor insurance policy and looked to recover its costs from him.

What happened

Mr K made a claim under his motor insurance policy after being involved in an accident. Watford Insurance looked into the claim and eventually turned it down over six months later and requested its costs from Mr K. This was because Mr K's MOT had just run out and so it turned down the claim suggesting his car wasn't in a roadworthy condition.

As Mr K wasn't happy about this, explaining that he was taking his vehicle for its MOT when the accident happened, he complained to Watford Insurance. It maintained Mr K said he was on the way back from the shop when the accident happened and so it was right to decline the claim, so he complained to this Service.

Our investigator looked into things for Mr K and eventually upheld his complaint. Although he could understand why Watford Insurance declined the claim he thought the further evidence Mr K provided, from the mechanic that Mr K was booked to see on the day of the accident, was persuasive. So he asked Watford Insurance to stop pursuing Mr K for the costs incurred and to pay £200 compensation for the stress and inconvenience all this had caused Mr K.

As Watford Insurance didn't agree the matter has been passed to me for review.

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 think that the complaint should be upheld. I know this will come as a disappointment to Watford Insurance, but I'll explain why.

I can understand why Watford Insurance turned down the claim given Mr K's first account. But he has gone on to explain that English isn't his first language and his description wasn't accurate because of this. And he has provided a fair bit of evidence suggesting that he did have his car booked in for its MOT on the date of the accident which was a few weeks after it had expired.

I know Watford Insurance has questioned this evidence, but it placed Mr K in a difficult position as it took so long to fully investigate the claim. Mr K had given his first account quite quickly after the accident and yet it took six months to decline the claim. And by the time it investigated the possibility that Mr K was taking his car for its MOT at the time of the accident a lot of the evidence, and Mr K's ability to prove his position, had gone. I think this is significant in this case and seems to have prejudiced Mr K's position and so I think Mr K should get the benefit of any doubt.

Ultimately, Mr K has provided a statement from the mechanic that was due to look at his car for its MOT on the evening in question and undertook his MOT's generally. I have no reason to doubt this alongside the other available evidence. I know Watford Insurance doubt some of this but given the fact that his position has been prejudiced I think the fair and reasonable thing to do, in the particular circumstances of this case, is to uphold it. The MOT only expired a few weeks before and there is no suggestion that the condition of Mr K's car had any impact on the accident he was involved in. And so I think Watford Insurance should put Mr K back into the position he should have been and pay him compensation for the clear stress and inconvenience all this has caused him.

So, Watford Insurance should stop chasing Mr K for its costs and should deal with his claim under the remaining terms and conditions of the policy. And it should pay Mr K £200 compensation for the clear stress, worry and inconvenience all this has caused. It must have been very worrying to have been chased for the outstanding costs and have his claim declined.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require Watford Insurance Company Europe Limited to stop pursuing Mr K for its costs, consider his claim in line with the remaining terms and conditions of the policy and pay him £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 4 April 2023.

Colin Keegan
Ombudsman