

The complaint

Mrs S complains about how West Bay Insurance Plc (“West Bay”) dealt with a claim for repairs she made on her car insurance policy.

Any reference to West Bay includes its agents.

What happened

Mrs S has motor insurance with West Bay. After a day out Mrs S noticed damage to the rear of her car and didn’t know how it happened. Mrs S reported the damage to her insurer.

Mrs S says her vehicle was booked in with a car repairer to carry out the work. When the repairs were completed and the car returned to her, she wasn’t happy with the state of it. Mrs S says the car was dirty inside and out, and the repairs hadn’t been completed.

Mrs S was told there were delays in obtaining the parts. She was told once the part came in the repairs would be completed and the car would be valeted.

Mrs S says from May to August she was in communication with the garage. She said she left messages for call backs but none were received. She sent in pictures of the cracked lamp and anything else they asked her to send, including copies of emails.

Mrs S eventually made a complaint to West Bay. She was told the claim had been settled at £1300 but she complained the work hadn’t been completed. Mrs S says she was told to complain to the garage before it could get involved. So she did but the garage didn’t respond.

In October 2023 West Bay issued a final response and didn’t uphold her complaint. West Bay said it appointed a garage to carry out the repairs and the vehicle was returned in May 2023. West Bay said in August 2023 Mrs S advised there was a crack to the rear headlight and the garage hadn’t completed the repair properly.

Mrs S says her insurance has doubled as a result of the claim and her car still needed to be repaired. She says the whole matter has been stressful as she’s had to chase the garage and West Bay on a number of occasions. Mrs S wants her car repaired and the car valeted.

She also wants her excess waived, a contribution towards her increased insurance cost, and compensation for the stress and inconvenience. West Bay contacted the garage and was told the headlight had been replaced and the car passed the quality check. In addition West Bay reviewed images and said it couldn’t see the same crack as the ones in the most recent images. And so, West Bay was unable to say the garage didn’t repair the vehicle or caused additional damage. West Bay didn’t uphold the complaint but agreed a goodwill payment towards the cost of valeting the car. It paid Mrs S £30. West Bay then offered to pay Mrs S £200 in compensation for the delay in providing an update and for providing incorrect information. Mrs S didn’t agree and said West Bay’s actions were deliberate, and it refused to investigate her complaint properly.

Mrs S wasn't happy with the response from West Bay so she referred the complaint to the Financial Ombudsman Service. One of our investigators looked into things for her. She said while she could see there were issues with West Bay's handling of the repair, and a lot of misinformation, she thought the offer of £200 for the distress and inconvenience caused, together with a total of £50 towards the cost of the valet was reasonable in the circumstances of the complaint.

Mrs S didn't agree. She said the repairer collected money for work they didn't do, and still haven't done. Mrs S says the financial impact has been significant – the cost of her insurance has increased as a result of the claim and will continue to do so over the next five years. Mrs S was also unhappy with how her complaint was handled. So, the complaint has come 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.

Having done so I've reached broadly the same conclusion as our investigator. I'll explain why.

I'd like to reassure Mrs S that I've considered all of her points, including what she's said in response to our investigator's view. However, I've focused on what I believe is most relevant to the outcome of this complaint, rather than addressing each of her points individually.

1. Payment for repair

Mrs S isn't happy the repairing garage invoiced West Bay for repairs that hadn't yet been carried out. And she wants it to reimburse the garage since the repair remains outstanding. I can understand why Mrs S isn't happy; she feels the garage has been paid and her repair remains outstanding. It is up to a business to make a commercial decision about how and when it pays invoices and our service doesn't have the power to change these. West Bay has said it will repair Mrs S's car as it is liable to under the terms of the policy; and I'm satisfied payment of the invoice has no bearing on this.

West Bay has explained the issue with the delays in obtaining parts and provided evidence the necessary parts were ordered. West Bay explained that the repair to Mrs S's vehicle would be completed once the necessary parts had been received. And this is what I would have expected it to do. So, I'm satisfied West Bay has acted fairly and reasonably here.

2. The cost of insurance has increased as a result of the claim

Mrs S made a claim on her insurance policy for the damage to her car. This has led to an increase in the cost of her insurance. But claims history is a factor when an insurer calculates its premium. So it's probable Mrs S's premium would increase in any event, even if West Bay had completed the repair much sooner – she made a claim on her policy, the cost of which couldn't be recovered by her insurer. This is recorded as a fault claim and often affects the price of subsequent insurance; this is used by insurers on a central database to recognise whether costs were recoverable or not under a claim. So, whilst I understand Mrs S is upset by this, it's standard practice by insurers and I don't think West Bay has done anything wrong here.

3. Excess

Mrs S wants West Bay to waive the policy excess. But the policy says, "*The excess is the amount you must pay towards any claim.*" This means Mrs S's excess is always payable where she is making a claim on her policy. Terms like these are commonly used in the industry and I think its use here is fair.

What this means in a situation like that described by Mrs S when she's suffered damage to her car is that she is required to pay her excess to her insurer. The insurer pays for the repairs to her car. If a third party is involved the insurer can seek to recover the money from them. And if it successfully completes its recovery of money, then it can refund its policyholder if the terms and conditions allow. But because Mrs S doesn't know how the damage occurred, there is no third party to recover the costs from. So she won't receive her excess back.

And I think the policy wording is clear that she will need to pay her excess for any claim made on the policy.

4. Complete repairs using her own garage

Mrs S wants the repairing garage to refund West Bay for the cost of the invoice so she can arrange her own repair. I can't see that Mrs S has raised this with West Bay, and since it didn't form part of the original complaint, I'm not able to comment and it doesn't form part of this decision.

5. Compensation and complaint handling

I note Mrs S has concerns about how West Bay dealt with her complaint. This service cannot consider every complaint that's referred. In considering this matter I'm bound by the rules that apply to this service. I can only consider a complaint arising from a regulated activity. The complaint about the repair meets the criterion. But I can't consider anything about the handling of the complaint as it's not a regulated activity.

I should explain that awards of compensation that this service can make aren't intended to fine or punish a business. We can award fair compensation that's an appropriate reflection of the impact a business's actions have had on its customer.

Based on what I've seen I'm not persuaded there was significant impact on Mrs S. She was still able to drive her vehicle since the damaged headlight cover had no impact on its roadworthiness. And she was able to arrange for her car to be cleaned. So whilst I accept there was a level of inconvenience and frustration with the service she received, I think the offer made by West Bay is reasonable in the circumstances and in line with what I would have suggested, had an offer not already been made.

I know my decision will come as a disappointment to Mrs S who has clearly been through a stressful and frustrating time. Having considered all of this I don't think West Bay treated Mrs S unfairly in dealing with her claim for damage to her car. Its standard of claim handling and communication could have been better – but I'm satisfied that its apology and offer of £200 plus £50 towards valeting the car was fair.

Putting things right

West Bay has already paid Mrs S £30. It has offered to increase the amount towards valeting the car to £50 in total; plus £200 for the distress and inconvenience. So it will need to pay Mrs S £220 in settlement of this complaint.

My final decision

For the reasons explained above I am upholding this complaint. West Bay Insurance Plc have offered to pay Mrs S £250 in total so if it hasn't already I direct it to pay this now; less any payments already made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 16 February 2024.

Kiran Clair
Ombudsman