

## **The complaint**

Mrs R complains about how West Bay Insurance Plc handled her claim on her motor insurance policy and that it didn't allow her the option of retaining her car's salvage.

## **What happened**

Mrs R's car was damaged in an incident, and she made a claim on her policy. But Mrs R was unhappy with her communication with West Bay, that she had to chase it for updates, calls were dropped and not returned, and messages weren't left. Mrs R was also unhappy that West Bay didn't give her the option of retaining her car's salvage despite her making it very clear that she wished to do so. West Bay agreed that its communication with Mrs R was poor and it paid her £75 compensation. But Mrs R remained unhappy.

Our Investigator recommended that the complaint should be upheld. She thought Mrs R had stated several times that she wished to retain her car's salvage and have it repaired. But she thought West Bay's engineer hadn't given her the retention cost so she could make an informed choice about this. She thought West Bay should pay Mrs R £100 compensation for this. And she thought West Bay should increase its compensation for its poor communication and Mrs R's poor claims journey to £300.

West Bay agreed to do this. But Mrs R thought West Bay hadn't assessed her car's damage or provided a retention value. She thought it intended to scrap the car from the start of the claim.

## **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 understand that Mrs R felt stressed and frustrated by her experience of making a claim on her policy. She said that rather than retain and repair her car she had to spend £8,000 to buy a replacement. I can't hold West Bay responsible for Mrs R's choice of a replacement car. But I can consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

West Bay accepts that Mrs R's claim journey was poor. And I agree for the following reasons:

- West Bay didn't provide Mrs R with a sufficient level of support when she first notified her claim.
- Mrs R had to call West Bay repeatedly to get updates and to ensure that the claim progressed.
- Calls were dropped and not returned so Mrs R had to call back and had long waits in the call queue.
- West Bay didn't keep Mrs R informed of delays caused by its agents.
- West Bay didn't progress the claim promptly after a settlement was offered.

I think this caused Mrs R avoidable trouble and upset. West Bay has agreed to increase its compensation for this from £75 to £300. And I think that's fair and reasonable as it's in keeping with our published guidance for when there are many small errors over a period that cause avoidable distress and inconvenience.

Mrs R was concerned that West Bay had initially decided that her car was a write off without inspecting it. But I don't think this is unusual or wrong. West Bay was able to assess the likely market price and repair costs from Mrs R's initial description of the damage. It thought this made the car uneconomical to repair, and so it deemed it likely to be a write off.

An estimate of the repair costs was then carried out and the repair costs exceeded the value of the car. And this confirmed that the car was a Category B write-off, meaning that it was unsuitable for repair, but it could be broken up for parts. And I can see that a salvage value was added to the file.

West Bay has accepted it didn't give Mrs R sufficient information to make an informed decision about whether or not to retain her car's salvage. I can see that Mrs R made it very clear to West Bay that she may want to retain the salvage as she had a repairer who might be able carry out the repairs. And West Bay noted this on her records.

Our approach is that when a car is "written off" and deemed a total loss under a motor insurance policy, as Mrs R's car was, the insurer, in this case West Bay, becomes the owner of the salvage only after the consumer accepts payment of the car's full market value. And I can see that this is stated in Mrs R's settlement letter.

But we think that if the consumer asks to keep the salvage, we expect the insurer to allow this. The car is, after all, the consumer's property and they should have the right to keep it if they wish to do so. However, in that event, the insurer is entitled to deduct from its settlement offer what it would have been able to sell the salvage for.

West Bay assessed the car's salvage value as well as the car's pre-loss market value. And I think it should have given Mrs R this information so that she could make an informed choice about whether or not to retain her car's salvage.

But this didn't happen. Instead, West Bay's engineer offered Mrs R just West Bay's final valuation for the car. He then explained that the car wouldn't be worth retaining due to the cost of repairs and the salvage Category B placed on it. He then explained the process if the car had been Category S. But Mrs R wasn't provided with the retention cost, so she could make an informed choice about the retention and repair. And I think the engineer should have explained the process for Category B rather than Category S write-offs.

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.

So I've thought about what would have happened if West Bay had given Mrs R fuller information. The car was a Category B write-off. DVLA wouldn't issue it with a new registration document after any repairs. So Mrs R couldn't have had the car repaired. And I don't think it was likely that Mrs R would be able to break the car for parts and dispose of them appropriately.

So I'm satisfied that Mrs R would have had to replace her car rather than repair it in any event. West Bay paid her the car's pre-loss market value, less her policy excess, and so I think this restores Mrs R's position.

But Mrs R was caused upset and trouble by the lack of information after she had repeatedly told West Bay that she would likely want to retain and repair the car. Our Investigator recommended that West Bay should pay her £100 for this. I think that's fair and reasonable for the impact the error had.

### **Putting things right**

I require West Bay Insurance Plc to pay Mrs R £325 (£400 in total) compensation for the distress and inconvenience caused by its handling of her claim, as it's already agreed to do.

### **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 Mrs R to accept or reject my decision before 25 April 2024.

Phillip Berechree  
**Ombudsman**