

The complaint

Mr G is unhappy with the time it took for his claim to be progressed to resolution and with the way the claim was handled by Watford Insurance Company Europe Limited ("Watford Insurance") under his motor insurance policy.

What happened

Following damage to his car during an attempted theft, Mr G made a claim to Watford Insurance. The claim was accepted.

Mr G was unhappy that Watford Insurance deemed his car was beyond economic repair before it was inspected. Mr G challenged the decision, so Watford Insurance arranged an inspection and agreed to repair the car. However, following a more detailed inspection, further damage was found, and the car was again deemed beyond economic repair. Delays were acknowledged by Watford Insurance during this process, so it paid £100 compensation to Mr G for the distress and inconvenience caused. Mr G said he'd incurred additional travel expenses during the time of the claim and had taken time off work.

Mr G chose to keep his vehicle, so Watford Insurance reduced the cash settlement it paid Mr G to reflect the "*salvage value*" of the vehicle. Unfortunately, the car wasn't protected during its time in storage and some water damage was caused to the car. Mr G wasn't happy with the condition of the salvaged car, so Watford Insurance offered to take the car back and reimburse Mr G for the salvage value of the vehicle (so paying the market value for the vehicle before the original incident).

Our investigator decided to part uphold the complaint. He thought Watford Insurance had compensated Mr G fairly for the delays he experienced. However, he thought Mr G was unreasonably out of pocket for travel expenses in the period where Watford Insurance had acknowledged a period of avoidable delays. So, he asked Watford Insurance to reimburse these costs. Our investigator thought Mr G had been fairly indemnified for the financial loss he'd experienced for his car. Mr G disagreed, so the case has been referred to an ombudsman.

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've started by considering the process followed in deciding the car was beyond economic repair. Mr G thought it was wrong for Watford Insurance to do this without inspecting the car. Given the relative low value of the car, I don't think it was unreasonable for Watford Insurance to reach a decision without inspecting the vehicle.

Watford Insurance has significant experience of the costs involved in repairing vehicles and after considering the circumstances of the claim it thought this was the likely result. A further detailed inspection of the car proved this to be the case. However, I think Watford Insurance acted reasonably in doing a further inspection after Mr G challenged the result. This did cause some unnecessary extension of the overall timeline of the claim.

I don't think it's fair to hold Watford Insurance responsible for all of this delay, as the claim would've been concluded much quicker if it was allowed to settle the claim as it had wanted. However, Watford Insurance has acknowledged it could've concluded some parts of the inspection quicker. I think the compensation it has paid for this is fair.

With any claim, there will be a level of inconvenience, but it should be remembered the insurer didn't cause the incident. Whilst the inconvenience can be frustrating, I can only hold Watford Insurance accountable for things it did wrong. Mr G has explained he's incurred additional travel expenses over the three months of the claim.

Mr G wasn't entitled to a courtesy car, as his car was beyond economic repair, so additional travel costs are unfortunately part of the inconvenience; as is any time Mr G felt he needed to take off from work. However, for the delays Watford Insurance has acknowledged it caused (around one month), I think it would be fair for Watford Insurance to reimburse the additional travel costs provided Mr G can provide evidence of the expense. So, I partly uphold this complaint and require Watford Insurance to reimburse this.

Finally, I've considered that Mr G was unhappy with the condition of the salvaged vehicle he received. Watford Insurance have offered to take the car back and reimburse the salvage value. Whilst I appreciate the situation is disappointing for Mr G, I'm persuaded from reading the detailed engineer's report that the car was beyond economic repair. Given, Watford Insurance have offered to fully indemnify the loss by paying full market value for the car, it has met the terms and conditions for the policy. If I upheld this part of the complaint, I would only ask Watford Insurance to cover any financial loss, but given it has already done this, there wouldn't be anything further I'd ask it to do.

My final decision

My final decision is that I partly uphold this complaint. I require Watford Insurance Company Europe Limited to:

- Reimburse Mr G for the travel costs he incurred during the one month of avoidable delays (provided the expenditure is supported by evidence, e.g., receipts).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 6 November 2024.

Pete Averill
Ombudsman