

The complaint

Mr B complains that Watford Insurance Company Europe Limited has failed to deal with a claim he made on his motor insurance policy fairly.

What happened

Mr B was involved in a road traffic accident in April 2022. Another vehicle crashed into his while stationary. Mr B was able to provide some photographic evidence of the third party (TP) vehicle and driver but was not able to obtain the licence or insurance details.

Mr B notified Watford Insurance of his claim and explained what had happened. Watford Insurance said it could progress with the claim without the TP details, but in the absence of this, the claim would be treated as a fault claim and the settlement would be subject to the excess being deducted. It agreed to request a police report from the accident to help it determine whether the TP details could be obtained.

Watford Insurance offered to settle Mr B's claim as a total loss in May 2022 with the excess deducted from the settlement. It paid £4219 for Mr B's vehicle less the policy excess of £775, with a total paid to Mr B of £3444. It said if the TP could be identified, the excess could be recovered and returned to Mr B.

The police report took a number of months to be obtained and when it was, the password was not supplied with it for this to be opened. This again took a number of months to be provided with access not being available until late August 2023. Watford Insurance said the report did not provide confirmation on the TP and their details so it was unable to change how the claim was recorded. As it wasn't able to raise a claim against the TP, its costs were not recoverable for the damage.

Mr B complained about the claim decision and how this has been recorded. He doesn't think Watford Insurance did what it should have and he's lost out as a result of this. And he feels it failed to deal with the elements of his claim correctly with personal belongings not being covered and his personal injury claim not having been considered. He also questioned the value of the settlement provided and the deduction of the excess from this.

Watford Insurance looked into Mr B's concerns and said it could see some delays had been added when the password was not chased and updates were not provided to him. But it didn't think it had missed anything with the claim or that it had done anything wrong when recording the claim as a fault claim.

It said Mr B could provide more information about his personal belongings damaged at the time and it would consider these inline with the policy. But it would not amend how the claim was recorded.

To recognise the delays, Watford Insurance offered Mr B £150.

Our investigator looked at this complaint and didn't think Watford Insurance needed to go further. Overall they felt the award for the delays was fair and there wasn't anything else

needed to be done.

They explained why they felt it had acted fairly when recording the claim as a fault claim. They were satisfied the valuation placed on Mr B's vehicle was fair and that the offer to consider any personal belongings inline with the policy terms was a fair offer. They also felt Mr B had been provided with the information he needed to be able to pursue his personal injury claim.

Mr B did not question the valuation of the vehicle and what our investigator said with this. But he disagreed with a number of other points on the view.

He said there was a lack of communication with the claim from the start. He was passed to the salvage agent who were unable to assist with his questions. And Watford Insurance did not contact him to discuss his personal injury claim when it said it would.

Mr B didn't think Watford Insurance had represented his interests as well as his own and the customer service throughout the claim process was not good enough. Overall he feels like the claim was handled with minimal effort from Watford Insurance to minimise its costs and he feels he's been treated unfairly.

Our investigator responded to provide Mr B with a copy of a letter sent by Watford Insurance to Mr B which gave him details on what to do to recover any costs as a result of the TP not being traceable. This included the costs of any personal injury claim. So they couldn't agree this hadn't been provided.

The rest of their view remained unchanged and as Mr B disagreed with the assessment, the complaint was referred for decision.

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 decided not to uphold Mr B's complaint for much the same reasons as our investigator. I appreciate this will be disappointing for Mr B, but I'll explain why I think the previous offer made of £150 to settle this complaint is fair.

How the claims been recorded

The crux of this complaint is the recording of the claim by Watford Insurance on the Claims Underwriting Exchange database (CUE) as a fault claim. Mr B has explained in detail what happened when his vehicle was hit by another and why he feels it is unfair that the claim is recorded as a fault claim. As our investigator has explained though, the definition has no bearing on the liability and who was responsible for the claim. It instead confirms whether the claim and associated costs are payable by Mr B's insurer or are recoverable from a TP.

In this instance it is understandable why Mr B is upset at the TP being untraceable. He has done all that could reasonably be expected in trying to assist with confirming who the TP driver was when providing photo images and raising a complaint with the police as it looked into this. Unfortunately despite his best efforts, the TP has not been traced. This means Mr B's insurance has needed to cover the cost of the loss. And when it has recorded how the claim has been settled, it has correctly recorded it as a fault claim, demonstrating this.

I know Mr B has referred to Watford Insurance needing to protect both his and its interest and he doesn't feel this has happened. But it is entitled to decide how to settle a claim and

whether there is merit in continuing to pursue the TP and attempt to investigate them. It did this when making sure it was able to open the police report to confirm whether it was able to assist with identifying the TP. When this didn't provide an answer, I don't think it acted unreasonably when choosing to settle the claim as it did.

Vehicle valuation

When the claim was settled for Mr B's vehicle, this was done as a total loss claim with it deeming the vehicle beyond economical repair. Mr B has questioned the valuation placed on his vehicle and whether this was fair. He has also questioned whether Watford Insurance has acted fairly when deducting the excess from this settlement.

This Service has a set approach to vehicle valuation and Mr B has not disputed what was said in relation to this, so I've concentrated on what is relevant to the crux of this complaint.

As the claim has been settled as a fault claim and the costs are not recoverable from the TP, this settlement is subject to the policy excesses. Mr B was informed of this when the claim was made and while I understand his frustration with the overall crux of this complaint and dispute over this, Watford Insurance has not acted unfairly when deducting this from the settlement offered. So I am satisfied it has not done anything wrong when deducting the excess from the settlement paid.

Service and delays

Mr B doesn't feel Watford Insurance has dealt with all of the elements of the claim that it should have. When he complained about the claim handling he said his phone and glasses had been damaged during the accident and this wasn't included in the settlement.

Watford Insurance said it was not aware of these items being damaged when the claim was raised but it was happy to consider these in line with the policy. It explained there is a limit of £150 for personal belongings cover, but mobile phones are excluded from this. If Mr B was able to provide information to support the claim for damage to his glasses, it would consider this.

The claims notes and information do not show there was a claim raised in relation to the personal belongings until this was mentioned in the complaint. So I cannot say Watford Insurance has made a mistake when not dealing with this sooner. It has offered to consider this element of Mr B's claim if he provides further information. I think it acted fairly here and this is reasonable a request to allow it to do this.

Mr B also feels he has not been provided with any support in relation to his claim for personal injury.

In contrast to the claim for personal belongings, the claims notes demonstrate conversations were had in relation to the personal injury claim. Unfortunately, due to the passage of time, the call recordings are not available. The notes indicate that Mr B was passed to different departments to discuss his comprehensive claim and follow up information was provided. It might be that he was passed to the salvage agent at this point and it is unlikely they'd be able to deal with these questions. But Watford Insurance has also said it directed Mr B to speak with his broker about raising this claim.

In September 2023 after it was confirmed the police report did not help to identify the TP, Watford Insurance wrote to Mr B and said he could speak to the Motor Insurance Bureau (MIB) to make a claim. It has said the MIB can also assist with the recovery of costs including the excess that Mr B needed to pay and the personal injury claim.

I think Watford Insurance could have provided Mr B with information on MIB and its role sooner to give him reassurance on his overall options. But until it was able to review the police report, it wasn't sure the TP couldn't be identified and this meant the MIB may not have been relevant until this point. So I can understand why this wasn't shared immediately.

The clear delay on this claim has come from the police report and its initial availability and then subsequent delays with the password being available for it to be accessed. This was outside of the control of Watford Insurance but it should have made sure Mr B was kept up to date with the progress on this and signposting to his other options sooner could have removed some of the distress he has with his concerns on the personal injury claim.

When a claim is raised there is always a level of distress and inconvenience. I am satisfied Watford Insurance has acted fairly when recording the claim as a fault claim. Although this has added to the distress Mr B has experienced, I cannot say it has done anything wrong here when looking at the information it relied on and why it's reached this outcome. It will add to the inconvenience Mr B will face as he needs to pursue his losses through the MIB, but this is not due to Watford Insurance's error and I wouldn't expect it to compensate Mr B for this.

Overall, for the failure to keep Mr B better updated on the progress of the claim and the police report being accessible, I feel the offer made of £150 is fair and reasonable.

My final decision

For the reasons I've explained above, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 October 2024.

Thomas Brissenden
Ombudsman