

The complaint

Mr E complains about delays in Watford Insurance Company Europe Limited's (Watford) handling of a claim following the total loss of his car, and the settlement offer it made, under his motor insurance policy.

What happened

Mr E says he was involved a carjacking in August 2023 where his car was stolen. It was then involved in a crash that caused significant damage. The police were called. Mr E's car was subsequently recovered from the scene of the crash as it wasn't driveable. He contacted Watford to make a claim. He says he was in regular contact with the business. But each time he calls he was told it's waiting on a police report. Mr E says this caused a long delay in it eventually settling his claim.

Mr E disputes that Watford paid a fair settlement for his car. He also says that he has incurred costs arranging alternative means of travel for him and his family. He says no courtesy car was provided and he didn't receive a settlement until May 2024.

In its complaint response dated 31 October 2023 Watford says the claim was made on 22 August. An engineer's report was required to assess the damage to Mr E's car. It received this on 1 September. It says it still required Mr E's documents at this time. It also sent a request to the police for its report on 6 September. It received and reviewed these documents a week later. Watford says Mr E told it the police had completed its investigation on 2 October.

Admiral had to resend its application to the police. It says it did so promptly when instructed. In mid-October 2023 it says an investigator was assigned to discuss the claim with Mr E. An interview was conducted. It acknowledged Mr E's concerns with the questions he was asked. He thought the investigator was trying to trick him. Admiral listened to the call but found no issues with how the interview was conducted. It says it needed the police report in order to validate the claim and isn't responsible for the delays. Admiral concluded its response to apologise for a lack of contact throughout the claim journey.

Mr E didn't think he'd been treated fairly and referred the matter to our service. Our investigator upheld his complaint. He says the settlement it paid was fair. But he thought Watford caused delays when it didn't complete the police form correctly. He also thought it delayed asking Mr E questions about the circumstances of his journey. Our investigator says Watford could've settled the claim earlier than it did. Because of the distress and inconvenience this caused he thought it should pay Mr E £400 compensation. In addition, he asked that Watford refund Mr E the cost of his alternative travel arrangements.

Watford didn't agree with this outcome. It says it wasn't responsible for the delay in the police report. As it had concerns with Mr E's claim, it maintains that this information was necessary. Once it became evident that a report wouldn't be provided Watford says it proceeded with the claim based on the investigation it had completed.

As an agreement wasn't reached the matter has been passed to me to decide.

I issued a provisional decision in September 2024 explaining that I was intending to uphold Mr E's complaint. Here's what I said:

provisional findings

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 my intention is to uphold this complaint. Let me explain.

Watford disputed us considering issues beyond the date of its final complaint response in October 2023. The Financial Conduct Authority (FCA) dispute resolution or DISP rules determine what we're able to look at. The rules say Watford must first have the opportunity to respond to a complaint before we can consider it. We didn't receive authorisation from Watford to consider issues outside of these rules. So, I agree with what it said. However, it has now agreed for all issues, including the valuation, delays, and the standard of service to be considered in my decision up to the date the claim was settled in May 2024.

Valuation

Mr E's policy provides the market value in the event of a total loss due to accident damage. This is defined as:

"The retail Market Value based on that listed in the current Glasses Guide for purchasing, or replacing, the insured vehicle with one of the same make, model, age, trim level, recorded mileage and being in a similar condition. Glasses Guide is a motor trade publication recognised and used extensively throughout the motor vehicle industry to value new/used vehicles. Where Glasses Guide is not available or there is a dispute over valuation with Your insurer, We will consider alternative equivalent motor trade publications.."

We don't provide valuations for vehicles but rather we look to see whether the insurer's offer is reasonable. In assessing whether a reasonable offer has been made, we obtain valuations from the motor trade guides.

These guides are used for valuing second-hand vehicles. We find these guides to be persuasive because their valuations are based on nationwide research and likely sales figures. The guides also consider regional variations. We also take all other available evidence into account, for example, engineer's reports.

Watford offered a settlement of £19,950 based on a trade guide valuation. Our investigator obtained valuations from four of the trade guides. I've checked to see that he used the correct make, model age, mileage etc. I also checked to see he used the correct loss date for the valuation. The information used was correct. The highest of the valuations was for £19,950. As this is the settlement Watford offered to Mr E, I can't say it acted unreasonably as this was the highest valuation produced by the trade guides.

claim handling/delays

The major delay in Watford progressing Mr E's claim was due to the lack of a police report. I can see this was requested on 6 September 2023. Mr E called to tell Watford on 2 October about the police investigation being complete. It then received a response from the police a few days later asking for further details. Around a week later Watford submitted another application for a police report, with more information. I can see from the records that Mr E

was in regular contact with Watford during this period.

The police responded to Watford on 11 November 2023. It says insufficient justification had been provided for it to consider the 'proportionality' of the data sharing request. It also asked for Watford's Association of British Insurance (ABI) number. Watford sent a further application on 14 November. The police responded on 17 January 2024. It rejected the application and again referred to the proportionality of the request. It also informed Watford that it needed the email address of its police representative. The business responded with a further application the same day.

In its submissions to our service Watford says this latest request was also rejected by the police. It says this was despite sending all the requested information. Again, this was because of insufficient reasoning.

I can see the claim records show Mr E sent an email he'd received from the police. He sent this at the beginning of February 2024. This confirmed the car was stolen on 20 August 2023 and returned to Mr E a few hours later having been abandoned. Watford's claim handler noted that it doesn't sound like the police have really investigated or that the police report will be of use. Watford then continued its investigation of the circumstances behind Mr E's claim. This concerned details about his nephew, who he was collecting at the time of the incident. Mr E was unhappy about the lack of progress with his claim at this time. He told Watford to contact his nephew directly.

The claim records show Watford sent a letter to Mr E dated 14 March 2024. This asked him a series of questions about the circumstances of the incident and included a synopsis of the testimony Mr E had previously given. I can see from this that Watford still had a number of concerns around the validity of his claim. This included an explanation of why he took the route he did, why call records weren't available, where Mr E had visited to be able to charge his phone after the incident, details of his nephews travel plans, the name of Mr E's friend who he met after the incident. In addition, Watford has some concerns about the damage that occurred and how this tied in with the circumstances described.

Mr E responded on 2 April 2024. A claim record dated 24 April says that although there were concerns remaining about the claim, there were no further lines of enquiry to follow. An email was subsequently sent to Mr E on 1 May to arrange payment of the claim.

Having considered all of this I think it's reasonable that Watford required information and some time to consider the concerns it had about Mr E's claim. I don't think it was unreasonable that it wanted a copy of a police report. I've looked on the relevant police force's website and can't see that the ABI reference is asked for when an application is made. Albeit Watford concedes it could've provided this information in the first application. Because of this it accepts responsibility for the delay from September up to 11 November 2023.

I acknowledge Watford's comments that it sent detailed information on the remaining several applications to the police. But it still refused to provide a report. So, although the application it sent initially could potentially have included more detail, it doesn't appear that the police were ever going to provide a report.

I'm not an expert in data protection but it's fairly common for an insurer to request, and be provided with, a police report where there are concerns about the validity of a claim. It's not clear why there were issues in a police report being provided here. However, from the information Mr E provided it does appear that limited investigation took place by the police.

The letter Mr E received from the police dated 4 September 2023 says several attempts had

been made to speak to him about the robbery of his car, and messages had been left. The letter explains that the police had been unable to confirm the location where the incident occurred in order to direct further enquiries. It says that the police are aware Mr E had recovered his car and indicated he doesn't wish to support further police action in this matter. The letter concludes to say the matter will be closed in seven days if there is no contact from Mr E. I think this shows that a police report is unlikely to have contained much useful information for Watford's validation purposes.

I think Watford should take responsibility for some delays in reaching a settlement here. It concedes that the first police report application it made lacked some detail. I agree this could've been avoided. This relates to the period from 6 September to 11 November 2023. After this time, I don't think Watford is reasonably responsible for delays in obtaining a police report. That said, based on the claim handler's notes, there was little hope of obtaining useful information from the police from February 2024. Given the number of rejected applications it had made by this point.

I also think Watford could reasonably have completed its own validation questioning with Mr E earlier than it did. It needn't have waited for the police report before continuing with this.

In summary I don't think Watford treated Mr E fairly given the delays in it reaching a settlement decision. It's reasonable to accept that he incurred costs when using public transport and taxis in place of his car. Because of this I think it's fair that Watford refunds Mr E's reasonable costs. This is for February, March, and April 2024. As I think a settlement should've been paid by this point. Mr E should provide proof of the costs he incurred to support any refunds. In addition to this Watford should pay him £400 for the distress and inconvenience it caused, due to its lack of communication and the considerable delay in settling the claim.

I said I was intending to uphold this complaint and Watford should refund Mr E's reasonable transport costs on provision of receipts for February, March, and April 2024. I said it should also pay £400 compensation.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Watford didn't respond with any further comments or information for me to consider.

Mr E responded to say he'd read my provisional decision and he agreed with it. He comments that he doesn't have travel tickets as he didn't keep them. He also says he will be pleased to receive compensation as Watford didn't treat him fairly.

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 note Mr E's comment that he didn't keep his travel tickets. But I think it's reasonable for any payment Watford makes to be based on evidence of actual travel expenses. If Mr E is able to provide this information he can ask Watford to consider a refund. But this point doesn't warrant a change to my provisional findings.

My final decision

For the reasons I've explained above and in my provisional decision I uphold Mr E's

complaint. Watford Insurance Company Europe Limited should:

- refund Mr E's reasonable transport costs upon receipt of proof of payment, for the months of February, March, and April 2024; and
- pay Mr E £400 compensation for the distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 4 December 2024.

Mike Waldron
Ombudsman