

## **The complaint**

Mr Q complains that West Bay Insurance Plc stole his car and sold it on after he made a claim on his motor insurance policy and that he's now incurred a fine for speeding and from the DVLA when the car isn't in his possession.

## **What happened**

Mr Q's car was damaged in an accident, and he made a claim to West Bay. It offered Mr Q a valuation for the total loss of his car, and it said he accepted this. A payment was made. But Mr Q then disputed the valuation.

West Bay then disposed of the car, and it said it advised Mr Q to update the car's records. Mr Q didn't do this, and he received a speeding fine dated after the car was sold and later fines from DVLA. Mr Q said West Bay had fraudulently sold his car. He wanted adequate compensation.

Our Investigator didn't recommend that the complaint should be upheld. She thought Mr Q had accepted a total loss settlement for his car and so West Bay became the car's owner. She thought it was then entitled to dispose of the car. And she thought West Bay had advised Mr Q about how to update the car's records with the DVLA. So she thought it wasn't responsible for Mr Q's fines. She thought Mr Q should raise this with DVLA.

Mr Q replied that West Bay had given him 14 days in which to accept its offer for his car, and he'd declined it the next day. He said he'd accepted the payment as an advance, and this shouldn't have triggered a change in ownership.

West Bay replied that Mr Q had accepted its settlement offer and it had paid this. It said he hadn't expressed any interest in retaining the car's salvage before it was disposed of. Mr Q asked for an Ombudsman's review, so his complaint has come to me for a final 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 can understand that Mr Q felt frustrated that he received a speeding fine and fines from DVLA when he was no longer in possession of the car. Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

West Bay relied on the following policy term to dispose of Mr Q's car:

*"if the insured vehicle is deemed to be beyond economical repair or settlement is agreed under the "new car cover" subsection, the damaged car becomes our property once a claim is met under the policy"*

This is standard industry practice, and so I wouldn't expect West Bay to especially draw this to Mr Q's attention when he bought his policy.

Mr Q wasn't entitled to new car cover, so that section doesn't apply. So I've thought about whether or not the claim had been met. I can see that the valuation of the car was still in dispute as Mr Q wrote to West Bay the day after he initially accepted its settlement offer. But the settlement had already been paid. And so the claim was met. And so, under the policy term, the damaged car became West Bay's possession, and it was entitled to dispose of it.

But I've also thought about whether this was fair or reasonable in Mr Q's particular circumstances. Our approach is that when a car is "written off" and deemed a total loss under a motor insurance policy, as Mr Q'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.

So 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.

But Mr Q and his representative didn't express any interest in retaining the car's salvage or in cancelling the claim. And Mr Q, in his call with West Bay, accepted the car's full market value, even though he later disputed this. Mr Q said the letter sent after he had accepted West Bay's offer gave him 14 days to accept it. But I note that the letter also says,

*"If you want to accept your claim straight away, let us know and we can pay your claim sooner."*

Mr Q had already accepted the settlement and West Bay had paid him. And so I think West Bay acted fairly and reasonably in disposing of the car as it was entitled to do.

I've also thought about what would have happened if West Bay hadn't then disposed of the car. The valuation is subject to a separate complaint, so I can't consider that here. But Mr Q hadn't expressed any interest in retaining the car, so it was always going to be disposed of even though he was still disputing the valuation.

So I can't say that the outcome would have been different for Mr Q if West Bay hadn't disposed of the car whilst the valuation dispute was ongoing. And we think it's good practice for insurers to pay an interim offer in such circumstances so that the consumer can replace their vehicle as soon as possible.

West Bay sent Mr Q a text explaining how he needed to inform DVLA of the change in the car's ownership. But Mr Q replied to it the day after he had accepted the offer:

*"I will not be sending the V5C document until we have an agreed value".*

As I've said above, the claim hadn't been cancelled, an offer had been accepted and paid, and so West Bay was acting within the policy's terms and conditions in disposing of the car. I can't hold West Bay responsible for Mr Q's decision not to then send the V5 document or contact the DVLA. And so I can't hold it responsible for the fines Mr Q incurred. Our Investigator has already provided Mr Q with advice on how he should contact the DVLA about this. But I don't require West Bay to do anything further.

## **My final decision**

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 6 January 2025.

Phillip Berechree  
**Ombudsman**