

The complaint

Miss A complains that West Bay Insurance Plc (“West Bay”) sold the salvage of her car without permission and lost her personal items, following a claim she made under her motor insurance policy.

What happened

Miss A was involved in a collision when driving. She has a separate complaint regarding the settlement payment she was offered. I won’t comment on that in my decision here. This complaint is about West Bay disposing of Miss A’s car when she’d asked to retain the salvage. In addition, there were a number of personal belongings in the car that she was unable to retrieve.

West Bay responded to Miss A’s complaint on 7 February 2024. It says its engineers correctly recorded her car as a category B total loss. The business was aware of Miss A’s intention to strip the car of usable parts. However, it says it wouldn’t have authorised its removal without the relevant licence. West Bay acknowledged it had disposed of the vehicle before making Miss A aware. As this was outside of its process it apologised and offered £200 compensation.

West Bay sent a further final complaint response dated 23 May 2024. This addressed the issue around the lost belongings. It says it wrote to Miss A on 10 July 2023 telling her to contact its salvage agent to remove any belongings from her car. It says Miss A arranged to do so at an appointment on 20 July. West Bay says the salvage agent has provided records showing Miss A, and another person accompanying her, signed an attendance log on this date.

In its response West Bay says it was the police that initially arranged the recovery of Miss A’s car. It says if her belongings weren’t in the car, it’s likely the police or its recovery agent removed them. It suggests that she contacts them directly.

Miss A didn’t think she’d been treated fairly by West Bay and referred the matter to our service. Our investigator upheld her complaint. She says that any issues concerning the value of Miss A’s car are being considered separately. But she thought it fair for the business to pay Miss A the value of the belongings that were lost. In addition, it should pay £200 for disposing of her car without her consent.

Miss A didn’t agree with our investigator’s findings. Neither did West Bay. As an agreement wasn’t reached the matter has been passed to me to decide.

I issued a provisional decision in December 2024 explaining that I was intending to partially uphold Miss A’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 in part. Let me explain.

I've seen the repair estimate for Miss A's car. The repair costs are well in excess of the market value identified by West Bay. I acknowledge that Miss A disputes the settlement valuation she was offered. But the value she provided is also less than the estimated repair costs. Based on this information West Bay's decision to categorise the car as a total loss was reasonable. Significant damage was caused in the accident. This is supported by the engineer's comments, the repair estimate, and the photos provided. I haven't seen anything to suggest a category B record was incorrect.

It's usual when a vehicle is considered a total loss for the insurer to retain the salvage and pay the policyholder a settlement figure. That said the insurer doesn't own the vehicle unless it's been agreed that it will retain the salvage. The vehicle's owner can choose to retain it. If they do, we'd generally expect that the insurer would agree to facilitate this. It can then deduct the value of the vehicle's salvage from the settlement it pays to the policyholder. It's then up to the policyholder to dispose of the salvage correctly.

There is a statutory duty for the salvage to be disposed of. But this applies to the owner, which is Miss A. However, West Bay says she would need to possess the necessary licences in order for it to release the category B salvage of her car back to her.

I asked West Bay to explain the licence requirements in more detail. So, I could see that it wouldn't have been able to release the salvage to Miss A. It responded with excerpts from the Association of British Insurers (ABI) code of practice. It says a policyholder must understand the implications and requirements for the disposal of waste/salvage. This means the vehicle must be processed by a registered salvage disposal agent and a certificate of destruction provided before the claim is settled.

I asked Miss A to show she was aware of the regulations and requirements involved in disposing of a category B salvage. She responded with a letter from a garage dated in January 2024. This is addressed to Miss A and says her car can be recovered from her insurer's salvage company for £278.10. It says that in the event it's unable to break her vehicle due to the insurance category, it will use an alternative company to carry out the 'end of life' dismantlement.

There are records of both these companies online. The latter is registered as a licenced site to recycle 'end-of-life' vehicles. I think this shows Miss A had made arrangements to break the car according to the relevant rules in order to retain the salvageable parts.

I asked West Bay to comment on this information and the loss Miss A has claimed. It didn't respond. Miss A has provided some links showing used car parts for sale online. I note her comments that her car was rare given the modifications done to it. She says her intention was to retain the salvage and build another car using the salvageable parts. Miss A says the engine alone was worth £2,000 and she had a buyer lined up for it. She says her car had a full leather interior, which she can't find anywhere, and she wanted to install this on her replacement car.

I'm persuaded by Miss A's supporting evidence that she did have arrangements in place to break her car correctly. I don't think there's any question that West Bay should've released the salvage back to her. It didn't which means it prevented Miss A from reusing the salvageable parts on a replacement car. I have no reliable way to determine what parts were salvageable. But from the photos of the car after the accident I think it's probable that parts could have been reused.

In these circumstances I think it's fair that West Bay compensates Miss A for the impact its failure to return the salvage had. She isn't able to re-use the undamaged components and will now need to try and source parts elsewhere. This has clearly caused her significant inconvenience and disappointment. Miss A has also spent much time and effort in contact with West Bay and its agents trying to resolve this issue. To put this right, it should pay Miss A £500 compensation. This is to include the £200 West Bay has already offered.

lost belongings

Miss A says a number of items were left in her car. This includes chargers for several devices, CD's, a coat, shoes, and some jewellery.

West Bay has provided screen shots from the salvage company it used. This shows a call was received on 14 July 2023 and an appointment made for the policyholder to collect personal effects on 20 July at 10am. The records show the salvage of Miss A's car was moved on 20 July at around 9.30am. My understanding is that this was to allow easier access to the vehicle.

West Bay says it asked the salvage company to check its attendance log. It says Miss A and someone accompanying her signed the log at 10.01am on 20 July 2023. I asked Miss A to comment on this information. In response she says she has never visited the salvage site. She says when she asked for the address to collect her belongings she was told the salvage had been disposed of.

I note what West Bay says about the potential for the police or the recovery agent from the accident, having removed Miss A's belongings if they weren't in her car.

I asked West Bay if it had any further evidence to support Miss A visiting the salvage site. It responded with a form from the salvage company. This shows someone with the same surname as Miss A but with a different forename visited on 20 July 2023. The form was signed by the visitor.

I asked Miss A if she goes by a different forename or if she has a relative with the name appearing on the salvage company's form. She explained that this is her sister's name. Miss A comments that she has no contact with her sister anymore. And that if her sister emptied the car then this is a separate personal issue for her to deal with outside of the insurance claim.

Based on this information arrangements were made for Miss A's sister to collect belongings from her car. It's not clear if there were any items remaining in the car at this time, given West Bay's comments that the police and the recovery company had previously had access to it. But Miss A makes it clear that she considers this a personal matter for her to deal with outside of her complaint with West Bay. In light of this I won't consider this point further.

Having considered all of this I don't think West Bay treated Miss A fairly when it failed to return the salvage of her car to her. This has caused her a great deal of frustration, inconvenience, and disappointment. To put this right, it should pay her a total of £500 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.

West Bay replied to say that it responded to my request for information on 22 November 2024. It says this is at odds to what I said in my provisional decision.

West Bay doesn't say whether it accepts my provisional decision. But comments that it's uncertain as to whether the decision to release the salvage would've been made, given the risks involved for both it and Miss A. It says if the salvage was retained by Miss A this will have reduced the settlement payment. West Bay says the pre-accident value and optional extras/modifications were settled in the separate complaint raised with our service.

Miss A responded to say she has had to take time off work due to stress. She comments that she has been denied the opportunity to retain her car and break it for parts. She says she cannot find a replacement vehicle with the same leather interior.

Miss A says that she recently had work done on the timing chain for her car's engine, which was a significant job. She says this meant it could be sold for £2,000. She also says she can't find a replacement vehicle with the same high standard of maintenance. And that getting a replacement up to the same standard will be expensive. Miss A says she will accept £500 for the inconvenience and stress. But she wants an additional payment for the value of the parts she could've reused or sold.

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 accept what West Bay says about its response. This was an oversight on my part. I'm sorry to have referred to its lack of response in error.

I agree with what West Bay says about the settlement value, including extras/modifications, having been considered as part of Miss A's other complaint. So, although I appreciate she intended retaining some parts from her car and selling others, West Bay has paid a settlement that fairly reflects the value of her car, in-line with her policy cover.

I acknowledge Miss A had work done on her car. But this doesn't impact on its value as its considered maintenance. So what she says doesn't impact on my findings.

In my provisional decision I said West Bay should pay Miss A £500 compensation (in total) for the distress and inconvenience disposing of the salvage caused. I'm sorry to hear that she's taken time off work due to stress. As I said previously, I don't think West Bay treated her fairly. But I still think that £500 represents a fair compensation payment. So, I won't ask the business to pay more.

My final decision

My final decision is that I uphold this complaint in part. West Bay Insurance Plc should now:

- pay Miss A £500 compensation for the frustration, inconvenience, and disappointment it caused her, inclusive of the £200 it has already offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 3 February 2025.

Mike Waldron
Ombudsman