

The complaint

Mrs U complains about West Bay Insurance Plc's handling of her claim under her motor insurance policy, specifically its delay in resolving the issue of liability and the impact those delays have had on her. Mrs U has dealt with a business acting as agents during this complaint but for clarity, West Bay Insurance Plc is the correct business title of her insurer and I will refer to it throughout.

What happened

Mrs U was involved in an accident in May 2021 and made a claim under her insurance policy. She believed that the other party was entirely at fault for the accident and provided evidence and the third-party's details to her broker who passed them onto West Bay. When processing the claim West Bay failed to pursue the other party and closed the claim as being one for which Mrs U was liable. It wasn't until Mrs U challenged the outcome in February 2023 that West Bay reopened the claim and tried to contact the third-party insurer. West Bay says that until that point it hadn't realised that it had the details that Mrs U had provided previously. After several months without success, West Bay instructed solicitors, in February 2024, to pursue the third-party to establish liability. Within a month of being instructed the solicitors managed to get the necessary agreement from the third-party which allowed West Bay to finally close the claim as being one for which Mrs U was not liable.

Mrs U complained to West Bay about how it had handled the matter. She argued that the delay had led to her paying more for her insurance than she should have as the industry records showed her as having a fault claim against her which affected her premium costs over 2 years of renewal. She said that she had suffered stress and inconvenience, having to personally pursue West Bay to deal with her claim properly, and was upset at being treated unfairly over a long period. She also said that West Bay had failed to communicate with her about passing the claim to solicitors and that the firm instructed had sent her someone else's records.

West Bay upheld most of her complaint regarding the delays and its mistake in not pursuing the third-party earlier. It confirmed that with the resolution of she now had her no-claims-discount reinstated and it had arranged for a refund to be paid that represented the amount for which she'd overpaid on her renewal premiums. It offered to pay her £300 for the upset it had caused by its failings.

Unhappy with the outcome Mrs U raised her complaint with this service. She told us that she had suffered by spending money on insurance that she could have used to buy a house. She argued that her time spent on chasing West Bay should be paid for at a rate of £200 per hour. She also explained that she was vulnerable as English was not her first language, that West Bay's failings had led to her suffering much stress and anxiety and that £300 was not enough compensation for her losses.

Initially our investigator felt that the offer was sufficient but after considering further information from Mrs U a further view was sent, suggesting that West Bay should pay £700 for the trouble and upset caused to Mrs U. West Bay accepted that revised outcome but Mrs U did not. She restated her case and said that she should receive an award of between

£1700 and £2000. As she remains unhappy I have been asked to consider the case and make a 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 believe that the revised compensation of £700 is an appropriate amount for West Bay to pay and so I uphold this complaint in part. I do not agree that West Bay should be made to pay more.

I think it's important to record immediately that there can be no doubt that West Bay handled this claim poorly and put Mrs U to unnecessary inconvenience and obvious upset with how it acted. If Mrs U had not come back to challenge West Bay's handling then she would have been left with a fault claim against her record. There seems to be no excuse for West Bay's failure to take action when receiving the third-party evidence which Mrs U provided.

While the failings here aren't in doubt, or challenged by West Bay, what is in dispute is the level of compensation which is appropriate for it to now pay. Mrs U has asked for this service to explain the breakdown of its award but I have to say that there is no precise science to making an award of this type. The award that I am making is for the whole of her upset and the inconvenience that she has suffered because of West Bay's errors and is guided by the sorts of awards that this service makes in such cases.

I have not accepted that Mrs U should be reimbursed at an hourly rate as she suggested. I would consider a specific award for actual financial loss if it had been shown by Mrs U that she had suffered in that way but no evidence has been supplied to justify that. In regard to the extra costs of her insurance I am aware that West Bay's investigations showed that, as a result of the change in outcome on liability, she was entitled to a refund of £90 for her first year's renewal and it sent her a cheque for that sum. I'm told that Mrs U hasn't cashed that cheque but that is her decision. It's apparent that the insurer for the following year has confirmed that no refund would be appropriate for the premium paid on the second renewal. I'm also not persuaded that there is any award appropriate regarding not being able to put the extra premium payments towards a house purchase. The sums involved here, as explained above, are not such as to justify some form of separate compensation.

As a result I'm satisfied that there is no direct financial loss that needs to be covered in this award.

On the subject of the use of solicitors, I do not feel that there was any failure on the part of West Bay. The insurer is entitled to use whatever method it feels is appropriate to pursue the claim. Failure to tell Mrs U that it was doing so is not something which merits any specific award beyond that which I think appropriate for the general lack of communication which applied across its handling of the claim. Mrs U felt that there had been a breach of GDPR by the solicitor when it sent her documents relating to someone else. If she wishes to pursue that issue then she should do so with the Information Commissioner which deals with complaints of that type.

Mrs U was further upset by being asked for her bank details so that West Bay could make a payment to her for refund of her excess, when she'd already received payment from her broker. While it seems that West Bay was not aware of the earlier repayment, the repeated request was a further inconvenience to Mrs U.

I recognise that Mrs U has been additionally disadvantaged by English not being her first

language and I've seen that she was unhappy on at least one occasion with West Bay not communicating with her in her preferred way. West Bay has acknowledged that mistake.

In summary, West Bay made a substantial error in its original handling of this claim. It's failure to take action on the information supplied by Mrs U meant that she was disadvantaged in having to pay an additional £90 in premiums which has since been refunded. She has had her excess repaid and also the reinstatement of her no claims discount. But Mrs U was put to substantial and unnecessary trouble and inconvenience by West Bay's early mistake and required to pursue the correction of that error herself, despite English not being her first language. She was undoubtedly upset by how she was treated and no doubt felt a sense of unfairness which would have been stressful for her. This sense of unfairness continued over a period of time and continues to this day.

It is for this reason that I award her a total of £700 compensation to be paid by West Bay. I know that Mrs U feels that she should receive more but for the reasons given I am not persuaded that is appropriate in all of the circumstances of this case and having regard to the nature of awards made by this service in such cases.

Putting things right

West Bay should take the necessary action to pay total compensation of £700. If not already done then it should provide Mrs U with written confirmation of the liability decision and the clarification of her no claims status.

My final decision

I uphold this complaint in part and require West Bay Insurance Plc to pay a total of £700 compensation for trouble and upset to Mrs U for the delays and errors in dealing with the liability decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs U to accept or reject my decision before 24 March 2025.

John Withington
Ombudsman