

## **The complaint**

Miss W has complained about the way West Bay Insurance Plc has handled her claim under her caravan insurance policy.

Any reference to West Bay includes its agents.

## **What happened**

One of the front windows of Miss W's touring caravan was badly damaged in April 2022. Miss W claimed under her policy for the damage. She sent photographs to West Bay showing the window had been completely removed and that she'd covered the gap as best she could.

West Bay asked Miss W to provide an estimate for replacing the window. It then chased her several times for this. As West Bay hadn't heard anything from Miss W by October 2022 it wrote to her and asked if she wanted to close her claim. Miss W contacted West Bay and said she was struggling to find a repairer who could fit a new window. West Bay then tried to obtain an estimate for replacing the window, but were unable to do so. It then made several attempts to contact Miss W to discuss the claim. In the end, West Bay offered a £100 cash settlement based on the likely cost of replacing the window, less VAT and the policy excess.

Miss W complained about the settlement and the handling of her claim. She spoke to a complaint handler and he suggested West Bay were likely to write off the caravan. In the end, West Bay said it was satisfied its settlement offer was fair. However, it did accept it could have handled the claim better and offered a total of £150 in compensation for distress and inconvenience.

Miss W asked us to consider her complaint. One of our investigators did this. She said that West Bay should have treated Miss W's caravan as a total loss. And she suggested it settled her claim by paying its market value at the time it was damaged, plus interest. She said the £150 it had offered in compensation for distress and inconvenience was fair.

Miss W is happy with the investigator's view on the complaint. But West Bay isn't. It doesn't think the caravan should be treated as a total loss when the cost of repairing it was only around £200. And it has pointed out that it isn't responsible for the damage caused by water ingress since the damage to the window occurred. It's suggested it should be allowed to arrange a quote by a firm it has recently come across that can make bespoke windows for caravans.

## **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 agree with our investigator that when it became clear back in 2022 it was not going to be possible to source a replacement window West Bay should have treated Miss W's caravan as a total loss and paid her its retail market value at the time it was damaged. This is

because to all intents and purposes it was not possible to carry out a lasting and effective repair to the caravan at this point and for me this made it a constructive total loss. And the policy states the maximum it will pay is the retail market value at the point of loss or damage. I do of course appreciate the cost of replacing the window, if it was possible, was much lower than the market value of the caravan. But – as I've said – it wasn't really possible to replace it until much more recently when West Bay found a company that could do it. So, I don't think West Bay treated Miss W fairly by offering her a settlement based on the cost of replacing the window back in December 2022 when it offered this.

Also, bearing in mind West Bay knew by October 2022 Miss W was struggling to obtain an estimate for replacing the window and that the caravan was being kept in the open, I think it should have arranged for it to be moved to a place of dry storage until such time as it had established what to do about repairing the window. It didn't; and this clearly led to water ingress causing further damage to the caravan, despite Miss W's best efforts to protect it.

Bearing all this in mind, I agree with our investigator that as part of the fair and reasonable outcome to Miss W's complaint West Bay should treat Miss W's caravan as a total loss and pay her its retail market value in April 2022 when it was first damaged, less the policy excess of £100. This will mean that the caravan will in effect become its property. So, it must also arrange for it to be disposed of and cover the cost of this. And West Bay should pay interest on the amount due to Miss W from the point it should have declared the caravan a total loss, which I think was 7 December 2022 when it told Miss W it was settling her claim on a cash-in-lieu basis. This is to compensate Miss W for being without funds she should have had.

I can also see how West Bay's unfair decision to offer a cash settlement and stick with this caused Miss W distress and inconvenience. And it has prevented her from having a caravan to use for holidays for a long period of time. I accept some of the delays on the claim were due to Miss W not responding to West Bay, but the main reason she has been without a caravan she could use for so long is West Bay's inappropriate decision on her claim. So, I think a higher amount than that suggested by our investigator as compensation for distress and inconvenience is appropriate. And I've decided £250 is fair.

### **Putting things right**

For the reasons set out above I've decided to uphold Miss W's complaint and make West Bay do the following:

- Settle her claim by paying her the retail market value of her caravan at the point it was damaged in April 2022, less the £100 policy excess. This will mean the caravan becomes its property and it must therefore dispose of it and cover the cost of doing so.
- Pay interest on the amount due to Miss W at 8% per annum simple from 7 December 2022 to the date of payment.\*
- Pay Miss W £250 in compensation for distress and inconvenience. West Bay must pay the compensation within 28 days of the date on which we tell it Miss W accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

\* West Bay must tell Miss W if it has made a deduction for income tax. And, if it has, how much it's taken off. It must also provide a tax deduction certificate for Miss W if asked to do so. This will allow Miss W to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

### **My final decision**

I uphold Miss W's complaint about West Bay Insurance Plc and require it to do what I've set

out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 5 March 2025.

Robert Short  
**Ombudsman**