

The complaint

Mr P complains that Watford Insurance Company Europe Limited declined a claim he made on his commercial vehicle insurance policy.

What happened

Mr P held a commercial vehicle insurance policy with Watford. He said when driving through a ford, his van stopped working.

Unsure of the cause of the van not working, Mr P had the van recovered to the company he was leasing it from, I'll call that company, M.

M said the damage was not mechanical and was caused by water entering the engine. It said this was Mr P's responsibility to fix. Consequently, Mr P made a claim to Watford.

About two months after making the claim, Mr P complained at how long it was taking to be settled.

Watford said it needed to validate the claim and that there had been delays in doing so caused by M.

Watford later said it wasn't going to pay the claim. It said this was because before it had chance to look at the damage and determine its cause, M had stripped the engine, as well as other parts. It said this meant it was unable to tell the cause of the failure and therefore unable to confirm any cover under the policy.

Mr P didn't think this was fair and complained further. He said nowhere in the policy did it say parts couldn't be stripped before making a claim and said his actions were reasonable. He said Watford could have assessed the car much earlier and if it had done so, maybe more could have been done to determine the cause of the problem. He said there were pictures and videos from M showing extensive water in the engine and thinks this proves the problem was caused by the water entering the engine – and so thinks the damage should be covered by the policy.

Watford didn't change its stance, so Mr P brought his complaint to the Financial Ombudsman Service.

Our Investigator didn't recommend it be upheld. She thought it was reasonable Watford looked to validate the policy initially. And she thought it was reasonable it declined the claim on the basis that the parts that needed to be assessed had been removed from the vehicle.

Mr P remained unhappy and asked for an Ombudsman's 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.

Having done so, I'm not upholding it. I'll explain why.

It's important to note here that I'll not be commenting on every bit of evidence received or argument raised. Instead, in line with our Service's role an informal one, I'll comment on what I consider to be key.

Here, I'm satisfied that Watford was entitled to carry out validation checks into the policy, and that to do that it required documentation from both Mr P and M. I can see there were small delays in requesting some of that information. But I don't find these delays substantially delayed the claim.

I also think while these validation checks were happening, it was reasonable for Watford to not inspect the van. I understand in hindsight, once the validation checks were completed and Watford were satisfied, it looks like time has been wasted. But had the checks not satisfied Watford (which is always a possibility on every policy hence the need for the checks), then inspecting the vehicle would have been an unnecessary step.

Turning to Watford's decision not to pay this claim, I'm satisfied that's a reasonable decision. Mr P's policy covers him for damage, but not mechanical issues. He's said himself that he wasn't sure whether driving through the ford was the cause of the van not working. So if the issue was a mechanical issue, it wouldn't be covered by his policy with Watford. But if the damage was caused by driving through the ford, and that was deemed an accident, then his policy with Watford would provide cover for that.

In light of the events that happened, I think it's understandable that Mr P took his van to M first – it was responsible under his agreement with it for mechanical issues. The issue here though is that in assessing whether the van suffered a mechanical issue, Watford has said that M has stripped the vehicle to such an extent that it can no longer reasonably determine the cause of the damage.

I understand M said the cause of the damage was water ingress, but I think it's completely reasonable for Watford to want to carry out its own assessment of the damage to determine that itself. Especially as both M and Watford have a clear vested interest in determining the likely cause.

Unfortunately for Mr P, Watford has said much of what it needed to assess the damage, wasn't present on the van when it inspected it. I understand Mr P thinks it was when Watford collected it some months before, but Mr P didn't see that himself. And there's no evidence to support that being the case. The evidence on the case supports the opposite, that the condition of the vehicle when it was collected, was the same as the condition when it was inspected.

I understand Mr P says there are videos and pictures showing the engine full of water. And that's true, there are. But Watford has said these don't evidence that that water was the cause of the failure. And I'm satisfied that's reasonable.

Ultimately then, I'm satisfied Watford's decision not to pay this claim is reasonable. On the basis that its position has been prejudiced and it's not been able to determine the cause of the damage, which in turn means it's not been able to confirm if the policy provides cover.

My final decision

For the reasons set out 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 P to accept or

reject my decision before 7 November 2025.

Joe Thornley
Ombudsman