

The complaint

Mr T's complaint is about the handling of a claim under his motor policy with West Bay Insurance Plc.

What happened

In late January 2024, Mr T reported a claim to West Bay. He is a self-employed driving instructor and had an accident while giving a lesson. Mr T said the accident was not his fault.

West Bay contacted the independent witness Mr T provided and the third-party insurer. It gave the third-party insurer 14 days to respond to the allegation that it's insured was at fault for the accident. However, on 12 February 2024, West Bay notified Mr T that having viewed the dashcam footage provided, it considered he was at fault for the accident. Mr T was very unhappy with this and contacted West Bay by phone straight away. The call-handler Mr T spoke to said they thought it was too early to determine fault and they would continue to pursue the claim with the third-party insurer holding the third-party at fault.

West Bay wrote a final response letter to Mr T about this and offered £200 compensation for the error with the letter.

Mr T is unhappy with West Bay's actions and referred the complaint to us. He has made a number of points in support of his complaint. I have considered everything he has said and have summarised his main points below:

- West Bay sent him a final response letter, even though he did not raise an official complaint about this.
- It was not clear in the phone call after getting the letter that the allegation that he was at fault had not been sent to the third-party insurer; he thinks it was and questions if there is correspondence missing from the file.
- Admitting liability to the third party and then retracting it weakens his position.
- Unlike other correspondence from West Bay, the letter in question was not from an individual. He questions why the letter was sent to him before the deadline for the third-party insurer to respond to West Bay and without consulting the witness.
- He wants to know exactly why it was sent, how the conclusion was reached that he was at fault, and who is accountable.
- If West Bay had reviewed the dashcam footage properly, it would have clearly showed he was not at fault.
- The letter amounts to defamation.
- West Bay did not contact the witness.
- West Bay says it was just "*an error*" but this isn't acceptable. West Bay should deal with all cases professionally.
- He had to cancel a driving lesson to call West Bay about the letter. The call took over two hours in total due to a long waiting time.
- The £200 offered, which is an admission of guilt was not discussed with him or means-tested, just issued.
- This has impacted his business and health. He has developed insomnia and other

health issues as a direct result of West Bay's actions and the £200 compensation isn't enough to reflect the impact on him.

One of our Investigators looked into the matter. He did not think that the complaint should be upheld, as he said a claims-handler had reached an opinion about liability under a motor claim, which is not the same as making false statements to damage someone's reputation. He said it was an opinion of a claims-handler and when West Bay reviewed it after Mr T got in touch, it confirmed that it would proceed on the basis it was not Mr T's fault. The Investigator therefore thought that as it had been put right promptly, the compensation offered was reasonable.

Mr T has also raised complaints about other aspects of West Bay's handling of his claim that occurred after this letter was sent. They are being considered separately. This decision will only address Mr T's complaint about the 12 February 2024 letter holding him at fault for the accident, his allegation that West Bay did not contact the independent witness promptly, and that it did not review the dashcam footage properly.

As the Investigator was unable to resolve the complaint, it has been passed to me.

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.

Mr T wants to know exactly how the decision to hold him at fault and send the 12 February 2024 letter was reached.

We do not always examine exactly why something happened, as we are not the regulator and cannot require businesses to change their practices or systems, nor do we punish firms for any wrongdoing. Our remit is to resolve complaints relatively quick and informally. Therefore, where something has gone wrong, it is my role to consider what action, if any, is required to put that right. However, there is no automatic right to compensation when things do go wrong.

I have read the letter sent to Mr T. It seems clear that a claims-handler reached a view on the claim and acted on it. They set out in the letter that, having viewed the available dashcam footage, they thought Mr T had been in the wrong lane and this is what caused the accident. Whoever the claims-handler was that wrote the letter, they did so on behalf of West Bay, so it is responsible for the letter. However, the next claims-handler didn't think the footage showed Mr T was at fault.

West Bay has acknowledged that the letter stating Mr T was at fault should not have been sent because it was too early to determine fault. I would agree because, as Mr T has pointed out, the third-party insurer had not responded to the claim put forward by West Bay at that point (and so may have accepted liability) and the witness statement had not been obtained.

Mr T says that errors such as this should not happen. It is an unfortunate fact of life that errors do sometimes happen and things do not always run as smoothly as they should. I have therefore considered what is appropriate to put this right.

West Bay acknowledged, the same day Mr T received it, that the letter should not have been sent. It also confirmed it would continue pursuing recovery from the third-party insurer on the basis Mr T was not at fault for the accident. I think that was reasonable.

Mr T is concerned that the letter was sent to the third-party insurer, weakening his case. I

have not seen any evidence that this is the case. I can see that West Bay did continue to correspond with the third-party insurer over the next few months, maintaining their policyholder was at fault. I am therefore not persuaded there is any reliable evidence that this letter impacted his claim.

Mr T also says West Bay did not contact the witness. However, I can see that West Bay sent a text to the independent witness the same day the claim was reported to it (at end January 2024) asking them to contact it to provide a statement. After Mr T contacted West Bay about the letter it contacted the independent witness again.

I think the claim progressed in the way it should have done up to the date the letter was sent to Mr T.

I have therefore considered what, if anything needs to be done to compensate Mr T for the fact the letter was sent to him on 12 February 2024. Mr T says he had to cancel a driving lesson to call West Bay about it and lost out financially as a result. He also says it had a significant impact on his health.

Mr T has said he had to call West Bay in working hours. I appreciate he felt he had to contact West Bay as soon as possible and that this interrupted his lessons on that day. However, I am not persuaded from the evidence available that it was unavoidable that he cancel a lesson.

I have also considered carefully the impact of the letter on Mr T.

Mr T is adamant that he was not at fault for the accident and says the accusation that he was amounts to defamation. I cannot make any finding as to whether there was defamation, as this is a matter for the courts. However, I can, where appropriate, award compensation for damage to reputation. Having considered this carefully, (even if I accept Mr T was not in any part at fault for the accident, which is not something I have considered in this complaint) I do not think the letter itself caused damage to Mr T's reputation, given it was only sent to him.

Mr T says he developed psoriasis and sleep difficulties as a result of West Bay's actions. He says he did not have these conditions before. However, there is no reliable evidence (such as a medical report) that this is the result of the communication from West Bay in February 2024.

I do appreciate why it was of particular concern to Mr T, given his employment, but I bear in mind that West Bay reversed the decision on the same day and I consider that it assured Mr T it would still proceed on the basis he was not at fault. I have seen no evidence this impacted the outcome of his claim or caused any other loss.

Therefore, while I appreciate the communication caused Mr T concerns about whether this affected his position with the third party, I do not consider I can make any award for impact on Mr T's health based on the evidence provided.

West Bay treated this matter as a formal complaint and I do not think this was unreasonable. An insurer is not required to discuss compensation it proposes and it would not be assessed based on means. It offered £200 compensation for sending the letter when it shouldn't have. Having considered everything carefully, I am satisfied that the £200 compensation already offered is reasonable and in line with our awards.

My final decision

West Bay Insurance Plc has already made an offer to pay Mr T £200 to settle the complaint and I think this offer is fair in all the circumstances. So my decision is that West Bay Insurance Plc should pay Mr T £200 compensation for the distress and inconvenience caused by the matter addressed in this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 21 August 2025.

Harriet McCarthy
Ombudsman