

The complaint

Mr A has complained that Watford Insurance Company Europe Limited is unfairly pursuing him for recovery costs of a claim against his car insurance policy.

What happened

Mr A bought a car insurance policy through a comparison website online. Mr A said he was the registered owner and keeper of the car, and the only person who would be driving it.

In June 2024 Mr A's car was involved in an incident involving a third party. Mr P was driving the car which was insured for only Mr A to drive. Mr A said he was abroad when the incident happened. This is accepted by all parties.

Under the Road Traffic Act, Watford was obliged to deal with the third party claim, which it did.

Watford is pursuing Mr A for recovery of those claim costs as it said Mr A breached the policy terms.

Mr A said the car was registered to the company he was an employee of. The Director of the company, Mr P, set the policy up so that Mr A could use the car for business use only. Mr P was driving the car at the time of the incident. Mr A didn't pay for the policy, Mr P did.

Mr A doesn't think it fair that Watford are pursuing him for the recovery claim costs. He wants Watford to pursue Mr P as he was the driver involved in the incident.

Watford didn't uphold Mr A's complaints. It was satisfied with its decision to refuse indemnity and cancel the policy due to the vehicle being driven by an uninsured driver. This was a breach of the policy conditions which were provided to Mr A when he bought the policy. So Watford said it was entitled to pursue recovery from Mr A.

Mr A asked us to look at his complaint. One of our Investigators found Watford had done nothing wrong.

Mr A disagrees and wants an ombudsman to decide. I've addressed his comments in my findings below.

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.

Watford received an application online to set up a private motor insurance policy for Mr A using his personal details as the policyholder. The email address used for communication is the same as Mr A used to communicate with Watford after the incident.

Mr A says this is a company email address which he, Mr P and another Director of the company have access to. Mr A has also provided a second email address to this service.

This doesn't change the fact that Mr A had access to the email address used for the policy and that the policy was set up in Mr A's name. That Mr P paid for the policy also doesn't make a difference to the outcome. There isn't anything inherently wrong with somebody else paying for a policy, provided the insurer is in agreement.

Under the proposal form, it states that Mr A is both the registered keeper and owner of the car. This is based on information provided to Watford when the policy was purchased.

Mr A has provided a photo of part of the V5 Log book to show the registered keeper of the car is the name of the business he says he works for – which he says he became a Director of after the incident.

This information doesn't make a difference to the outcome. It does show that the information disclosed when the policy was purchased was incorrect – as Mr A was not the registered keeper of the car. But it doesn't change the fact that Watford is taking the action it has because Mr P was not covered to drive the insured car.

Under the certificate of motor insurance, Watford clearly states that Mr A as the policyholder is the person entitled to drive the insured car. No other persons are listed to drive the insured car. Nowhere does it suggest this is a business insurance policy. To the contrary, it is titled as a private car insurance policy.

Watford's policy explains its terms and conditions for providing indemnity. The key terms that it has relied on when dealing with the claim it received from a third party are:

“General Exclusions Applying to the Whole Policy”

This Policy does not cover the following:

The below exclusions apply as well as the exclusions shown in each Section detailing the cover provided.

1. Any injury, loss or damage occurring while Your Car is being:

a) driven by or is in the charge of any person not shown on Your Certificate of Motor Insurance;”

and;

“You must comply with the following Conditions to have the full protection of Your Policy. If You do not comply with them, We may cancel the Policy or refuse to deal with Your claim or reduce the amount of any claim payment.

4. Right of recovery

If under the laws of any country in which this insurance applies, We have to make payments which but for those laws would not be covered by this Policy, You must repay the amounts to Us.

If any claims or other monies are paid to You by mistake for any reason, or a claim has been paid which We later find to be fraudulent, false or exaggerated, You must repay the amount paid by Us. You or the person who caused the accident must also repay Us any money We have to pay because of any agreement We have with the Motor Insurers Bureau. Any payment We make under this condition will prejudice Your No Claim Bonus and will also mean that there will be no entitlement to a refund

of premium if the Policy is cancelled or declared void.”

So as the policyholder is Mr A, and Mr A wasn't driving the car when the incident happened, Watford is entitled to pursue him for the recovery of its costs.

I understand Mr A is unhappy with Watford's decision. But I find it hasn't done anything wrong. So I'm not upholding the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 September 2025.

Geraldine Newbold
Ombudsman