

The complaint

Mrs M and Miss M have complained about the way their motor insurer, Watford Insurance Company Europe Limited ('Watford') dealt with a claim they made on their policy.

The complaint was brought to us by Miss M who is a named driver on the policy so for ease I will refer to all comments as Miss M's.

Also, all references to Watford include its agents.

What happened

In November 2024, Miss M made a claim on her policy after her car was damaged in an accident. When she reported the damage to Watford it said, based on the information provided, the car was likely to be a total loss. Miss M disagreed and Watford asked her to provide photographs of the damage so it could reconsider the matter.

Miss M provided the photographs and called Watford the following day for an update. Watford said that the matter had been considered by an engineer who still believed the car would likely be a total loss. Miss M didn't agree and asked for the car to be inspected in person, so Watford arranged for this to be carried out by one of its approved repairers.

A few days later Miss M got in touch with Watford to chase for an update. She said that a repairer had a look at the damage and told her the car was repairable. She was also unhappy Watford hadn't provided her with a courtesy car in the meantime, but Watford said this wasn't something she was entitled to under the policy.

The vehicle was inspected by one of Watford's approved repairers on 27 November 2024 who said the car was a total loss. Miss M was unhappy about this and asked to arrange her own inspection. Watford then arranged for the approved repairer to return Miss M's car to her.

Around the middle of December 2024 an estimate for £7,647.46 was provided by Miss M's repairers but Watford said the car was still uneconomical to repair. Watford told Miss M if her repairer provided an estimate using "green parts" to keep the costs down it would consider it.

An amended estimate for £6,816.71 was provided in early January 2025 but Watford still considered the car to be uneconomical to repair. Miss M was unhappy about this and said the repair costs were below the threshold required by Watford to decide that the car was repairable.

Watford then agreed for the car to be inspected by an assessor in order to try to come to an arrangement with the repairer. The inspection took place on 8 January 2025 and the

assessor ultimately agreed a fixed price with the repairer and proposed to inspect the repairs part way through the process.

Miss M complained as she wasn't happy with how the claim was being progressed or with the advice she had been given during the process and said she wasn't happy to pay her excess.

Miss M spoke to Watford on 7 February 2025 and she was offered £100 compensation towards her excess which she did not accept. Repairs were authorised by Watford for 22 January 2025 and Miss M said her car was returned to her around 11 February 2025.

Watford responded to Miss M's complaint in writing in March 2025 and offered her £100 compensation in addition to the excess reduction previously offered.

Miss M then brought her complaint to our service. She said that the matter caused her a lot of stress, she was struggling to focus and couldn't sleep and wanted Watford to compensate her. She said as a result of not having any transport for three months she had incurred around £2,000 in travel expenses which she wanted to be reimbursed for.

One of our investigators reviewed the complaint and thought it should be upheld in part and that Watford should pay Miss M £100 compensation plus £150 for the time she was without her car because of delays caused by Watford.

Miss M didn't agree and asked for an ombudsman's decision. The matter was then passed to me to decide.

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'd like to start by saying that I was very sorry to hear that Miss M has been struggling with her mental health and that she found the experience very stressful. I appreciate that the accident itself will have been very stressful as well as having to make an insurance claim. I hope that having her car back has alleviated some of that stress and that she is feeling better now.

The policy

Under the policy, if Miss M's car is damaged in an accident Watford will either repair the damage, replace what is lost or damaged beyond economical repair or pay the cost of the loss or damage. Watford will choose which action to take for any claim it accepts.

The policy also says that for comprehensive cover if the car is repaired by one of Watford's approved repairers, the customer will be supplied with a small car while their car is being repaired, subject to availability. A courtesy car will not be provided if the car is determined to be a total loss.

The engineering evidence

Miss M was unhappy that Watford told her the car was likely to be a total loss based on her description of the damage. I don't think it is unusual for an insurer to give an initial opinion on whether or not a car will be a total loss based on information provided by the consumer, so I don't think Watford has done anything wrong in this respect. And I think it was fair and reasonable that it agreed for Miss M to provide images of the damage so it could take a better look. It isn't unusual for insurers to settle damage claims without carrying out a physical inspection. And we don't think it's unfair as it minimises costs and is more time efficient than a physical inspection.

Nevertheless, I think Miss M was entitled to challenge Watford's decision if she didn't agree with it. And I also think it was fair and reasonable that Watford then agreed for a physical inspection to take place.

The car was first inspected by Watford's approved repairers in November 2024 and was deemed to be a total loss. The car was valued at £10,147.00 and the repairs at £9,442.86. When it comes to matters like car repairs and other technical issues, Watford relies on the opinions of its repairers and engineers who are experts in those areas. Based on the evidence provided, I thought it was fair and reasonable that it followed the advice provided by the experts and still considered that the car was a total loss at that stage. And, when Miss M didn't agree, I thought it was again fair and reasonable that Watford agreed for her to obtain her own estimate rather than proceeding with the total loss settlement.

The car was inspected by Miss M's repairers in December 2024 and repairs were estimated at £7,647.46 but Watford considered that the car was still uneconomical to repair. The repair costs came to around 75% of the car's value and I don't think it was unreasonable that Watford's engineer's advice was that the car was still deemed to be a total loss. And, as I said above, I think it is fair and reasonable that Watford relies on the advice of its engineers who are experts in the area.

Miss M said that Watford initially told her that 69% was the threshold for considering a car to be a total loss but then changed its mind and said it was lower. We don't consider that it is necessary for an insurer to have a specific percentage in mind before declaring a car a total loss and ultimately the decision whether a car is a total loss or not is reached by an expert such as an engineer. And this might depend on a variety of factors including costs but also the type of repairs necessary. For example, if repairs are estimated to be substantial and may lead to further repairs it isn't unusual for an insurer to write a car off to avoid costs from escalating or if it isn't able to guarantee the car can be safely repaired.

Watford agreed for Miss M's repairers to amend their estimate by using "green parts" which are cheaper and would bring costs down. I thought this was a pragmatic and reasonable way of moving things forward and ultimately it led to an agreement between the assessor and the repairer who agreed for the costs to be capped to ensure the car remained economical to repair.

Overall, I thought the way Watford dealt with the matter was fair and reasonable and ultimately led to the matter being resolved with the car being repaired, which is what Miss M wanted. I don't think Watford was being unreasonable in saying the car was a total loss before the repair costs were reduced. As I said above, Watford relies on the advice of expert engineers in arriving at this decision. I appreciate Miss M was adamant the car was

repairable from the start but in the absence of expert evidence to the contrary I thought it was fair and reasonable that Watford was following the engineers' advice that the car was a total loss.

Travel expenses and delays

As I said above, the policy does not allow for the provision of a courtesy car if a car is a total loss. So while the car was considered to be a total loss I didn't think Watford had to provide Miss M with another car. Also, the policy doesn't provide cover for a courtesy car if the customer's car is being repaired by their own repairer so, again, I don't think it's unreasonable Watford didn't provide a courtesy car.

Nevertheless, as noted by our investigator there were occasions where Watford could have dealt with things quicker and this ultimately delayed Miss M's car from being returned to her. For example, I think there was a small delay in the car going from Watford's approved repairer to Miss M's repairer after the initial inspection. And I think there was a further short delay in Watford reviewing Miss M's repairers' estimate in December 2024 as well as a short delay in instructing Miss M's garage to carry out the repairs on 22 January 2025. Watford also accepts that it delayed authorising the repairs and previously offered Miss M £100 compensation for this.

Miss M provided evidence of taxi expenses between 29 November 2024 and 6 February 2025 which came to a total of just under £280. Bearing in mind that I think Watford caused some small delays but not the majority, I think an overall settlement of £150 for the delays and also the travel expenses, as proposed by our investigator is fair and reasonable.

Watford also offered Miss M £100 compensation towards her excess which Miss M didn't accept and instead paid the excess in full. As a reduction is no longer possible I think it is fair and reasonable that Watford now pays this to Miss M by way of compensation.

I appreciate Miss M said she felt Watford's process was corrupt and she said it was putting pressure on her repairers not to complete the repairs by carrying out random spot checks. I haven't seen any evidence of corruption, so I am not able to uphold this part of the complaint. But I note that the assessor asked to inspect the car while the repairs were being carried out to ensure the costs were kept down and the car remained economical to repair. I don't think this was unreasonable as this was the basis of the agreement they reached with the repairer. I also note that the spot checks were not carried out in any event.

My final decision

For the reasons above, I have decided to uphold this complaint in part. Watford Insurance Company Europe Limited should pay Mrs M and Miss M £100 compensation for the distress and inconvenience it caused them and £150 compensation for causing delays and for their travel expenses.

Watford Insurance Company Europe Limited must pay the compensation within 28 days of the date on which we tell it Mrs M and Miss M accept my final decision. If it pays later than this it must also pay interest on it from the deadline date for settlement to the date of payment at 8% a year simple.

If Watford Insurance Company Europe Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs M and Miss M how much it's taken off. It should also give Mrs M and Miss M a tax deduction certificate if they ask for one so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Miss M to accept or reject my decision before 2 October 2025.

Anastasia Serdari
Ombudsman