

The complaint

Mrs L complains about West Bay Insurance Plc's decision to settle a claim on her motor insurance policy.

What happened

Mrs L had a motor insurance policy with West Bay. In March 2024, there was an incident involving Mrs L's vehicle and a third-party vehicle in a car park. The third-party insurer (TPI) contacted Mrs L and West Bay, and Mrs L then spoke to West Bay to outline her recollection of the incident.

In July 2024, West Bay settled the third-party's claim, after the TPI sent it evidence of repairs and their outlay, in April 2024.

Mrs L complained because she was unhappy with West Bay's decision to settle the claim and pay the third-party's costs (around £3,947.06).

West Bay then arranged an Engineer review of Mrs L's vehicle in July 2024. In August 2024, it paid Mrs L £100 in recognition of its errors in handling the claim, delays and lack of action.

West Bay issued a complaint response in November 2024. It maintained its decision to settle the third-party claim, based on the information Mrs L had provided and following the Engineer review. It accepted it had incorrectly led Mrs L to believe it decided it was wrong to pay the claim and it would attempt to recover costs from the third-party. In acknowledgement of this misinformation, it paid Mrs L a further £75.

Mrs L referred her complaint to the Financial Ombudsman Service. She remained unhappy with West Bay's decision to pay the claim. And she said she wasn't informed of West Bay's decision until July 2024.

The Investigator upheld the complaint. They said West Bay didn't carry out a reasonable investigation and request sufficient evidence. And they recommended West Bay record the claim as non-fault with Mrs L's no claims discount allowed, recalculate her renewal premium and pay her £200 compensation.

West Bay didn't agree. It said Mrs L didn't deny making contact with the third-party vehicle when she first discussed the incident. And it said its Engineer reviewed the damage to both vehicles and concluded the damage was consistent with the accident circumstances.

I issued a provisional decision and in it I said:

"Mrs L has provided a lot of information in support of her complaint. I assure Mrs L that I've taken everything she's provided into account. But in this decision I've focused on what I think are the key issues in this complaint. No discourtesy is intended by this, but it simply reflects the informal nature of the way that the Financial Ombudsman Service reviews complaints.

This service doesn't decide if someone's at fault for an incident. That's the role of the courts. Instead, we look at whether the insurer acted in line with the policy terms and made a fair

and reasonable decision. Mrs L's policy terms allow West Bay to take over and carry out any negotiation, defence or settlement of any claim on her behalf. That means it might make a decision she disagrees with, but the policy allows it to do so. I can consider if its decision to do so was reasonable.

In considering the above, I've carefully considered how West Bay handled this claim. And although I'm not satisfied it carried out a reasonable investigation and took into consideration all the available evidence, I don't think its failure to do so impacted on the eventual claim decision. I'll explain why.

West Bay interpreted Mrs L's comments during a call in March 2024 as her having confirmed she was at fault. Having listened to the call, I'm not persuaded this was a fair interpretation of what she said. West Bay also accepts it didn't obtain a statement or sketch from any of the parties involved, to show how the damage to the third-party vehicle was alleged to have occurred. I think it ought to have obtained this information in the circumstances. Furthermore, West Bay instructed an Engineer to inspect Mrs L's vehicle in July 2024, but it doesn't appear as though West Bay provided the Engineer with the information it had been given, to show the damage and repairs to the third-party vehicle. This meant the Engineer was unable to reach an informed conclusion about the damage. So overall, I'm not satisfied it took reasonable steps to investigate the circumstances of the claim. And I don't think it took into consideration all the available evidence. So, I think it acted unfairly.

But in considering a fair resolution, I've considered what I think was likely to have happened if West Bay had carried out a reasonable investigation. And I don't think it's likely this would have led West Bay not to pay the third-party's claim. I've explained why below.

The TPI wrote to West Bay in March 2024, to confirm it held Mrs L at fault for the incident, and that she had caused damage to the third-party's parked and unattended car.

Following this, West Bay spoke to Mrs L on the phone. I've listened to this call and I'm satisfied Mrs L told West Bay the following:

- *She pulled into a parking spot and changed her mind, so she drove to a different spot. Someone then approached her to say she was seen bumping into the third-party's car.*
- *She has hearing aids and doesn't always hear well. When asked if she saw herself making contact with the third-party vehicle, she said she didn't hear any impact.*
- *The third-party, along with a witness, was present at the time.*
- *There was a scratch on the third-party vehicle, but when she rubbed her fingers over this, it didn't look like there was something there. This was on the front bumper on the driver's side.*
- *There wasn't likely to be any CCTV or dashcam footage according to Mrs L.*

Having listened to the call, I don't consider Mrs L expressly denied making contact with the third-party vehicle. I consider she only said she didn't notice making contact and didn't notice any damage. But Mrs L did accept there was a witness, that she was in the car park and driving at the time of the alleged incident, and there was unlikely any evidence, such as CCTV or dashcam footage to show what happened.

With the above in mind, even if West Bay had asked for statements and sketches, I think it's likely the third-party would still insist Mrs L had caused damage to the driver's side bumper area of their vehicle. And I consider the third-party's allegations would've been supported by the statements of a witness who claimed to have seen the incident occur. And given Mrs L hadn't expressly denied making contact with the third-party vehicle, and accepted there wasn't other evidence to show what had happened, I think West Bay would likely have made

the decision that it couldn't defend the third-party claim in the circumstances - this would likely have been an economical decision not to defend the claim, or potentially dispute it in court. And if it had, I think that would have been a reasonable decision, in line with its rights under the policy terms.

Mrs L also raised concerns about the cost of the third-party's claim. But having considered the make, model and age of the third-party vehicle at the time of the repair, I can't safely conclude the costs seem unreasonable. And having reviewed evidence of the repairs, I'm satisfied they relate to the driver's side bumper area of the third-party's vehicle. This is the same area Mrs L said the third-party initially alleged damage to. So in the circumstances, I don't think West Bay acted unfairly in paying the costs claimed by the third-party through their insurer.

I acknowledge the Engineer report issued in August 2024, along with a bodyshop letter provided by Mrs L from January 2025. Both conclude there is no damage on Mrs L's car consistent with the alleged damage to the third-party vehicle. But I'm conscious these conclusions were reached long after the incident in March 2024, after repairs to the third-party vehicle in around April 2024, and without reviewing the damaged third-party vehicle. So I don't find them sufficiently persuasive in the circumstances. And given the evidence of damage to the third-party vehicle, the resulting repairs, along with Mrs L's initial comments, I don't think I can safely say West Bay was wrong to settle and pay the third-party's claim in the circumstances.

Mrs L said she was first notified of West Bay's decision in July 2024. But West Bay provided evidence of a letter it sent to Mrs L in March 2024, at the same time it sent a letter to the TPI. In this letter, West Bay made it clear to Mrs L a fault claim would be made against her policy, and it would pay any reasonable claims received from the other party. It said Mrs L's NCD would be affected and her premiums could be affected at renewal too. Mrs L said she didn't receive this letter, but I can see the letter was correctly addressed, so I can't reasonably hold West Bay responsible if Mrs L didn't receive it.

Overall, for the reasons outlined above, I can't safely say West Bay acted unfairly in paying the third-party's claim. But I do think it acted unfairly in not carrying out a reasonable investigation and obtaining the available evidence. And I think it acted unfairly in the time it took to review Mrs L's concerns, along with misleading her into thinking it accepted an error and would attempt to recover costs from the third-party. I think West Bay's actions caused Mrs L avoidable distress, inconvenience, disappointment and loss of expectation. West Bay already paid Mrs L £175 compensation in total. But in the circumstances, I think a further £100 compensation is fair. So this is what I will direct it to pay."

West Bay accepted my provisional decision.

Mrs L responded to ask who the witness was, and said they may not have been in a suitable position to judge what happened. Mrs L also pointed to the lack of damage to her car and questioned whether the decision to send the third-party vehicle to a distant repair location contributed to the cost of the repairs.

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 hope Mrs L will understand that it's not my role in the circumstances, to determine who the witness was, or to make a finding on the strength of their likely testimony. In my provisional decision I explained why West Bay would likely have made the reasonable decision that it

couldn't defend the third-party claim in the circumstances. The reasons for this did include the presence of a witness to support the third-party's allegations, but also what Mrs L had told West Bay. Overall, I've still not seen sufficient evidence to persuade me West Bay would likely have made a different decision on the claim, even if it had carried out a reasonable investigation.

I'd also explained in my provisional decision that based on the evidence of the third-party vehicle damage and repairs, taking into account its make, model and age, I couldn't safely conclude the costs West Bay paid were unreasonable. And having reviewed the evidence of the costs presented by the third-party insurer, I can't see this includes any cost associated with the distance of the repairing garage, relative to the third-party. So, I still don't think West Bay acted unfairly in paying the costs claimed by the third-party, through their insurer.

I do understand Mrs L's strength of feeling on this matter, and I have empathy for her in her circumstances. But for the reasons outlined above, having reviewed the further information, I've come to the same conclusions I outlined in my provisional decision.

My final decision

My final decision is that I partially uphold this complaint.

I require West Bay Insurance Plc to:

- Pay Mrs L a further £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 9 September 2025.

Monjur Alam
Ombudsman