DRN-5752415

The complaint

Mr E complains that West Bay Insurance Plc unfairly settled a claim against his motor insurance policy.

Reference to West Bay includes claims handlers who acted for it.

What happened

In December 2022 Mr E was in a low speed incident when his car bumped into the back of another car. Mr E said that there was no damage to either car. So he didn't report it to West Bay at the time.

In May 2024 the third party's representatives (the representatives) made a claim to West Bay for the cost of repairs to the third party's car. West Bay contacted Mr E. It asked him for his version of events. Mr E agreed that he'd run into the back of another car. But he questioned whether any damage had been done. He also had doubts over the time of the accident.

The representatives provided an engineer's estimate for the repairs dated shortly after the accident. West Bay asked its own engineer to look at the estimate and the images of the cars taken at the scene. West Bay's engineer concluded that the damage referred to in the estimate was consistent with the reported accident. They also thought the costs to repair the damage was reasonable. West Bay paid the third party's claim.

Mr E was unhappy. Amongst other things he wanted to see the engineer's report and images of the damage repaired but West Bay didn't provide those materials. He complained. West Bay didn't uphold his complaint.

Mr E brought his complaint to the Financial Ombudsman Service. One of our Investigators looked into it. He thought that West Bay's decision to settle the claim as it had was reasonable. But he thought it could have provided Mr E with a redacted version of the engineer's report. He also thought it should have explained why its letters to Mr E said the accident had happened at 00:00 (midnight), when it had actually happened at around 11.40am. To address the impact of West Bay's shortcomings on Mr E, the Investigator recommended it should pay Mr E £100 compensation.

Mr E didn't agree with our Investigator's complaint assessment. So as the matter remains unresolved, it's been passed to me to determine.

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.

Liability and repairs

Mr E accepts that the low speed incident where his car 'touched' the third party's car actually happened. But he doesn't think that West Bay did enough to investigate the third party's claim.

I'll explain first that it isn't the role of the Financial Ombudsman Service to decide liability or how much a claim should be settled for. Ultimately that's a matter for the courts. Rather than

deciding on those issues, my role is to decide if insurers have acted in a fair and reasonable way.

West Bay, like most motor insurers, has a clause in its policy that allows it to settle claims as it sees fit. This gives it the right to decide whether or not to accept a claim and if so how much to settle that claim for. I'm aware that Mr E is unhappy with that approach, given that he was paying West Bay for its cover and service. But, as I've said above, that clause – or a very similar one – is in every motor insurance policy I'm aware of. And it allows insurers to use their expertise to settle claims in the manner they believe will be the most efficient and pragmatic. That means they do not have to take instructions from their policyholders nor do they require their policyholder's consent to settle a claim. And when Mr E took out his policy – which is a contract between him and West Bay – he agreed to those terms. So I don't find the clause unfair.

That said we need to be satisfied that insurers act fairly in deciding whether to settle matters and make a reasonable assessment of the claim – based on a clear understanding of the evidence and circumstances. With this in mind, I have carefully considered how West Bay handled the third party's claim.

As I've said above, Mr E accepts that his car hit the one in front. In those circumstances, he would always have been found responsible for the incident. That's because it's generally accepted that the driver in the car behind needs to leave enough room to be able to stop if the car in front stops suddenly. So, where a driver doesn't stop in time and runs into the car in front, they are generally held at fault for the accident. That's what West Bay concluded in this case and I think it did so fairly.

Mr E also thinks that West Bay didn't do enough to investigate the engineering evidence. He thinks the images presented with the estimate don't do enough to convince him that the damage happened in the accident.

I need to be clear that we're not engineers. We don't assess whether or how damage to a vehicle would be caused, as this is a matter for the experts – in these situations that's the insurance companies and engineers. Our role in these complaints is to determine whether an insurance company has considered all the available evidence and whether it can justify its decision to pay for repairs.

In this case, shortly after the incident an independent engineer prepared an estimate for the costs of repair to the rear bumper of the third party's car. West Bay's own engineer confirmed that the repairs were consistent with the accident as described and that the estimate to carry out the repairs was reasonable. That means two engineers have confirmed that the damage and work required to repair that damage were consistent with the described incident. And I note that Mr E hasn't provided any alternative expert evidence, beyond his own comments, to call into questions the engineers' conclusions. So, I think it was reasonable for West Bay to settle the claim for the cost of those repairs.

Court action

I'm aware that the claim has had a significant impact on Mr E's insurance premium and no claims discount (NCD). His preference would have been for West Bay to defend the matter in court. But, as I've said above, West Bay is not required to follow Mr E's preferences. Instead it needs to use its own judgement to decide whether or not it has reasonable prospects of being successful in any court action. And in this case it's apparent it didn't think that was likely.

As I've already said, it seems likely that Mr E was always going to be found at fault for the incident which he accepts happened. And the expert evidence from the engineers is that the damage to the third party's car was – more likely than not – caused in the accident. So it seems it had little prospect of a successful outcome if the matter were to be decided in a court.

Further, court action can be resource and cost intensive. So I wouldn't expect an insurer like West Bay to bear the costs of such an action in a situation where they are plainly aware that they're unlikely to succeed. It follows that I don't think West Bay did anything wrong by paying the claim rather than defending it in court.

Recording the incident

Mr E said that because of the significant effect the incident was having on his insurance premiums West Bay should remove its record from shared insurance databases. I'll explain that most motor insurers I'm aware of use a shared database known as the Claims and Underwriting Exchange (CUE), which is a record of insurance claims and incidents.

When insurers who are signed up to CUE are informed of a driving incident, they are under an obligation to record that incident on it. And insurers will record whether or not the driver concerned is at fault for the accident or not.

In this case it's not in dispute that an accident happened or that the third party made a claim which West Bay paid to settle. In those cases West Bay is required to record the claim on CUE.

Further, fault claims will reduce or remove a driver's NCD entitlement. Further, every insurer I'm aware of will see drivers with recent fault claims on their driving history as being higher risk than drivers without such claims. Insurers reflect that assessment of increased risk in the premiums they charge. That's what's happened here. But West Bay isn't responsible for the premiums that other insurers charge. And in any event, it has only done what it is required to do. So it hasn't done anything wrong in recording the accident as it has.

West Bay's service

While I'm satisfied that West Bay settled the claim reasonably there were areas where its service could have improved. In particular when the representatives first submitted the third party's claim they didn't specify a time of the incident. So West Bay recorded this as a default time of 00:00. And when they asked Mr E for his version of events they said the incident happened at 00:00. As a result Mr E, understandably, was concerned that he hadn't been in an accident at midnight and so doubted that this was something that involved him. West Bay could have easily prevented this by either omitting the time from its letters or by explaining to Mr E that it was unaware of the exact time.

Also on several occasions Mr E asked to see the engineering evidence supporting the third party's claim for repair costs. And given his concerns that those costs weren't justified, it would have been a fairly simple matter for West Bay to redact that evidence – by removing any personal details or identifiers which West Bay needed to protect – so that Mr E could have seen the evidence for himself. And I think that West Bay's refusal to provide this only added to his frustration that it was settling a claim which he believed wasn't justified. So to address Mr E's distress and inconvenience arising from West Bay's shortcomings here, I think it should pay him £100 compensation.

My final decision

For the reasons set out above I require West Bay Insurance Plc to pay Mr E £100 compensation for his distress and inconvenience as described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 26 September 2025.

Joe Scott
Ombudsman