

The complaint

Mr J has complained about the way Watford Insurance Company Europe Limited handled a claim he made on his motor insurance policy.

What happened

The circumstances of this case are well known to both parties, and what follows is a brief summary of what happened. Mr J was involved in an accident in January 2025. He rang his insurer, Watford, who had the vehicle removed and sent to a garage. Mr J believes that Watford's recovery agent damaged his car at the scene of the accident. Watford found the car was a Total Loss so told Mr J they'd pay him the market value for his vehicle. Mr J refused this, saying he wanted his car repaired. Watford gave Mr J a choice – he could accept a total loss or cancel the claim. But Mr J didn't think this was fair and made a complaint.

Mr J changed his address and told Watford about this. He said they increased his monthly premium from around £80 to around £123 for the remaining time on cover. Mr J feels this increase is unfair, so also complained about the new premium.

Watford responded to Mr J's complaint about the claim in May 2025, saying they handled the claim fairly. Mr J referred his complaint to our Service. He told us he believes the majority of the damage to his car was by Watford's agents while it was being moved. And he said he wanted Watford to repair the car and return it to him or pay him for the damage that he thinks they caused. Watford then responded to his complaint about the increase in premium on 13 August 2025, saying they recalculated the premium fairly.

Our Investigator looked into what happened but didn't uphold the complaint. She felt it was fair for Watford to consider Mr J's car a total loss and didn't act unfairly by refusing to carry out the repairs. She also didn't think Watford caused any unnecessary delays nor that it was unfair for them to increase his premium by the amount they did.

The complaint couldn't be resolved so it came to me to decide.

I understand that since Mr J's complaint came to our Service, he has sold his car. He thinks the car's market value at the time of the accident was higher than the amount he's received and now wants Watford to pay him the difference. I won't be commenting on events relating to the claim that happened after final response letter Watford sent in May 2025. If Mr J wants Watford to reopen the total loss claim, he'll need to contact Watford directly. And if he's unhappy with their response, he might be able to bring another complaint to our Service.

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.

As ours is an informal service, I'm not going to respond to every point or piece of evidence Mr J and Watford have provided. Instead, I've focused on what I consider to be key or

central to the complaint. But I'd like to reassure both that I have considered everything submitted.

Did Watford cause unnecessary damage in removing Mr J's car from the scene of the accident?

Mr J has said there are two distinct sets of damage: damage caused by the accident and damage caused by moving the car. From what I understand, Mr J's car was stuck on a concrete kerb and it needed to be removed. If further damage was caused to the car when it was moved, I think it was likely inevitable and I don't think it's likely the action was reckless or unnecessary based on what I've seen.

Mr J has suggested the damage during the removal of the car was possibly intentional to fabricate a total loss. But, looking at the first contact from Mr J to Watford, they didn't know the extent of the damage and simply sent out the recovery agent to collect the car. The agent won't likely have known what Watford were then going to do with the car and I don't think it's likely Watford will have had a financial incentive to write off the car if it was economical to repair (which I will go into more below).

Mr J has sent us a statement from the policeman at the scene. It said whilst at the time, the policeman did say he wouldn't be attempting to move the car off the kerb himself due to potentially causing more damage, he wasn't speaking on behalf of any recovery firm. And that if he recalled correctly, Mr J arranged the recovery through Watford, so he'd need to pursue a civil claim with them. Mr J interpreted this as confirmation that pulling the car from the concrete wall would damage the car. Watford said they don't believe this would constitute evidence for how the car should be moved. I don't think the policeman's statement shows one way or the other whether moving the car in the way Watford's agent did caused reckless or unnecessary damage to Mr J's car. And I'm more persuaded that some damage was likely inevitable when moving the car – which was then reasonable for Watford to consider as part of the claim.

But even if I thought some of the damage was caused unnecessarily or that it could be avoided (which I don't), it may still have been reasonable for Watford to write off Mr J's car rather than repair it. I've explored this below.

Was it unfair for Watford to refuse to repair Mr J's car?

Mr J's policy – like all other car insurance policies – entitled Watford discretion of how to settle the claim. And it sets out that Watford could choose to repair the damage or pay Mr J an amount equal to the loss or damage. So, Watford was entitled to decide whether it wanted to repair the car or pay the car's market value.

Watford's engineer estimated the repair cost to be over £10,000 but valued the car at around £14,000. Mr J has insisted that Watford should have repaired the car – and they agreed to do so when he paid £255. But the £255 he paid was the policy excess he would need to pay on any claim. And I don't think it was unreasonable for them to conclude it wasn't economical to repair it based on the engineer's report. In suggesting they would write off the car and pay the market value, it meant Mr J could look to replace his car with the same make and model with the same age and mileage.

I appreciate Mr J thought the repairs would cost much less than what Watford's engineers said. And he did get an estimate for repairs from a garage when the car was eventually returned to him. This quote wasn't available to Watford before they issued their final response, so there's no way they could have considered it. But even if it was available, I still

wouldn't have thought it was unreasonable to rely on the more detailed report by their own engineers to come to the conclusion that it wasn't economical to repair the car.

I've seen that Watford tried to engage with Mr J and explain why they would write off the car and pay him the market value, but he insisted they should carry out the repairs. Watford and Mr J couldn't agree on a way forward by the time the complaint came to our Service. Having looked through the correspondence between them, I'm satisfied Watford took reasonable steps to explain why they would deal with the claim as a total loss and I haven't found that they caused any unnecessary delays when trying to settle the claim.

I appreciate Watford eventually returned the car to Mr J, and he has now sold it – this means I can't ask them to repair the car, but I wouldn't be directing them to do it even if it were possible as I don't think they handled the claim unfairly. I also won't be asking them to pay any compensation nor take any other action.

Was it unfair for Watford to increase Mr J's premium as much as they did?

Mr J's policy says if his information changes, he must notify them. And that if they accept the change, there might be a change in premium. I can see when Mr J told Watford about the change of address, they charged him an additional premium.

As the Investigator explained, when looking at complaints about insurance pricing, the role of our Service isn't to tell an insurer what they should charge or to determine a price for the insurance they offer. That's a commercial judgement and for them to decide. But we can consider whether we agree a consumer has been treated fairly – this involves thinking about whether there's anything which demonstrates someone has been treated differently or less favourably than other customers. If we think someone has been treated unfairly in this way, we can set out what an insurer needs to do to put things right.

Watford have provided our Service with confidential business sensitive information to explain how Mr J's new price was calculated. I'm afraid I can't share this with him because it's commercially sensitive, but I've checked it carefully. And I'm satisfied the price increase has been calculated correctly and fairly – and I've seen no evidence that other Watford customers in Mr J's position will have been charged a lower premium. I can confirm the data shows that any other customer in the same position as Mr J would be charged the same increase as him. So, I won't be asking them to refund any of the premium Mr J was charged.

My final decision

My final decision is that I don't uphold Mr J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 12 February 2026.

Andrew Wakatsuki-Robinson
Ombudsman