

The complaint

The complainant, Mr D, complains about the way Watford Insurance Company Europe Limited handled a third-party claim on his motor insurance.

Any reference to Watford includes the agents or representatives involved in the handling of Mr D's claim on their behalf.

What happened

In February 2025, Watford was notified that Mr D's car may have been involved in an incident and contacted him to confirm. Mr D disputed involvement and provided CCTV footage as evidence that the car was on his driveway at the date and time of the incident. The third-party insurer informed Watford that they were investigating this as a potential case of cloned registration plates.

While this claim was open, Mr D tried to sell his car but encountered difficulties due to a Total Loss marker and an open claim on industry claims databases. This claim also caused Mr D's insurance premiums to increase at his renewal point in May 2025. Ultimately Mr D's car was deemed to not be involved, and the claim was closed in July 2025.

Mr D complained to Watford about:

- Delays in reviewing the CCTV footage he provided, and in progressing the claim,
- Poor communication and failing to address his concerns.
- A lack of action in informing him his claim remained open at renewal and a lack of ownership in removing markers from claims databases.
- The impact of the claims database markers on his renewal premiums and his ability to sell his car while the claim was ongoing.
- The refusal to provide an engineer's inspection and not providing a written refusal of said inspection.

Watford did not uphold the complaint as they were satisfied they'd handled the claim appropriately, and because the claim was reported by a third-party insurer, they needed this claim to be closed by the third party before they could act to remove the marker they had placed on the CUE database.

Unhappy with this response, Mr D contacted the Service to complain. An Investigator reviewed the complaint and did not uphold it as they believed Watford acted appropriately, despite some small delays. Mr D did not agree with the Investigator's view and requested an Ombudsman's decision.

What I've decided – and why

I have not upheld this complaint, and I will now explain why.

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

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I first need to set out that it's not this Service's role to decide whether Mr D was involved in the accident or not. Our role is to consider whether Watford acted fairly and reasonably following the third party's insurer reporting the claim.

I can appreciate it would have been upsetting for Mr D to be told someone had said he'd been involved in an accident in which he wasn't involved. But naturally I can't hold Watford responsible for the third party's actions. I do sympathise with the situation Mr D found himself in but, ultimately, this was because a third party's vehicle had installed cloned number plates, which meant he'd become a victim of this incident. Watford were still presented with a claim which they had to defend. Until such time as the third party's insurer withdrew the claim or it became apparent they weren't pursuing it any further, it was fair for Watford to leave the claim open. This is in line with standard industry practice.

That said, I have looked at whether Watford acted fairly and reasonably in the way it defended the claim.

Watford received notice of an incident from a third-party insurer and set up a claim as per standard industry practice. The third-party insurer, at this point, had concerns about potential cloned plates and asked Watford to confirm whether Mr D was involved. The same day, Watford contacted Mr D by telephone to get his point of view. Mr D disputed his car's involvement and offered pictures and CCTV as evidence that his car was undamaged and had been on his driveway on the date of the incident. Watford confirmed the time of the incident with the third-party insurer and provided a link for Mr D to upload his footage, which he did on 26 March 2025. Watford reviewed the footage on 9 April 2025 and found that it was only playing the audio, and video was not available. Having discovered this, they emailed Mr D to ask for another copy, which he provided on 5 June 2025.

I recognise that there was a delay between Watford receiving the CCTV footage and requesting a new version from Mr D. I have reviewed the impact of this delay, and I conclude that it did not have a material impact on the outcome of the claim. Also, I note a similar delay was caused by Mr D after Watford requested a new copy of the footage. Watford apologised for the delay they caused and offered Mr D £50 compensation, which I find to be fair.

I understand Mr D has explained how this event has impacted his ability to sell his car and his premiums at renewal, as well as the distress and inconvenience caused. Ultimately, I believe that Watford did take reasonable steps to defend the claim, small delays notwithstanding.

As for the impact on renewal premiums, this can largely be attributed to the claim being reported so close to the renewal date, and Mr D's unfortunate situation of being a victim of cloned plates. Watford is not responsible for the claim being reported, and I don't believe their actions were unfair or unreasonable under the circumstances. I don't conclude that the delays were sufficient to alter the outcome in a meaningful way. I believe the events would have proceeded largely as they did.

My final decision

For the reasons I stated above, I am not upholding this complaint. Watford should pay Mr D the £50 compensation in their original offer, if they have not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 March 2026.

Joshua Clement
Ombudsman