

## **The complaint**

Miss H has complained that Watford Insurance Company Europe Limited unfairly declined to pay a claim she made on her motor insurance policy. She also complained that it sold her car's salvage without her permission.

Reference to Watford includes the claims handlers who act for it.

## **What happened**

Miss H insured her car with Watford. Her son, Mr H, is a named driver on the policy. Mr H had driven the car one morning and parked it. Soon after a van driver repeatedly rammed into Miss H's car causing it significant damage on a number of its sides. The van concerned was uninsured.

The matter was reported to police who issued a crime reference number. Miss H asked Watford to recover her car although she didn't initially make a claim at that time. She said she wanted to receive more information from the police and any third party insurer before doing so. But, around a week later, she told Watford she wanted to claim.

Watford appointed investigators to interview Mr H. Mr H told them he didn't know the driver of the van or why it had rammed into him.

Watford then applied for a police report.

In the meantime, in July 2024, Watford told Miss H that her car was a total loss. It said that after deducting the policy excesses it would pay her £2,906 to settle her claim for the loss of her car.

However, Watford then decided to put the claim on hold pending receipt of the police report. Watford didn't receive the police report until January 2025. After doing so it noted some discrepancies in Mr H's version of events. Amongst other things those included that the police were informed that Mr H did know the driver of the van which had crashed into him. And Mr H had "issues" with the van driver.

Watford told Miss H that owing to the multiple discrepancies it was refusing to pay her claim. It said it would arrange for her car's salvage to be disposed of. But Watford then told Miss H that it had disposed of her car in July 2024.

Miss H complained. Watford replied in March 2025. It acknowledged that it had given her misleading information implying that it hadn't previously disposed of her car. But it didn't otherwise think it had done anything wrong. It tried to pay Miss H £118 it had received for the salvage of her car but she refused to accept it.

Miss H brought her complaint to the Financial Ombudsman Service. One of our Investigators looked into it. He didn't think Watford needed to take any further action. Miss H didn't agree so her complaint's been passed to me to decide.

## **Provisional decision**

On 25 September 2025 I issued a provisional decision. I've reproduced the relevant extract below. I said:

*"In bringing this complaint and responding to our Investigator's assessment of it Miss H has made a number of points. However, in this decision I don't intend to address each and every issue raised. And, in line with our usual process, I will only consider matters that Miss H had put to Watford before it sent its complaint response in March 2025. So in this decision I will focus on what I see as being the key events at the heart of Miss H's complaint that she raised with Watford prior to March 2025.*

*Did Watford fairly decline to settle Miss H's claim?*

*Miss H's policy includes a term that requires those insured on it to provide Watford with all information it requires. And information policyholders give must be true and correct to the best of the individual's knowledge. The policy says that if that term isn't complied with then Watford may decline a claim.*

*In this case after receiving the police report Watford identified a number of discrepancies between the content of that report and the information Mr H had given to Watford's investigator. Most notably that included that Mr H told Watford that he didn't know who the van driver was but according to the police report Mr H did know who the van driver was. Not only had the van driver been named but Mr H said he recognised his voice (the van driver was wearing a balaclava at the time). The police report also said that Mr H had "issues" with the van driver. But the motive for the ramming wasn't stated.*

*On the face of it Mr H didn't always give Watford information that he knew to be true to the best of his knowledge. Because, for example, he told Watford he didn't know who the van driver was when he plainly did. But in the specific circumstances of this complaint, I don't think it would be fair for Watford to decline the claim purely because of some of the discrepancies in Mr H's account. That's because, amongst other things, I can't see that those discrepancies have in any way prejudiced Watford's position.*

*I don't think it can be in doubt that the incident happened, more or less, as Mr H described it. In fact I understand that the police obtained CCTV. And the record of events the police report is similar to Mr H's description. The police prosecuted the van driver for driving a motor vehicle dangerously. And there's simply no evidence that Mr H was in any way complicit with that act. The police described him as the 'victim'.*

*Miss H's policy covers her for damage done to her car maliciously. I think that's the case here. That is the van driver deliberately rammed the van into Miss H's car. And while his motive for doing that remains unknown I don't think that affects the validity of the claim. As I've already said, it doesn't appear that Mr H was entirely honest with Watford about all aspects of events. But, in these circumstances, I would only think it was fair for Watford to decline a claim because of a breach of a policy condition where that breach was material as to whether or not it was reasonable for Watford to pay the claim. I don't think that's the case here. As I've already said I don't see how any of the noted discrepancies in Mr H's accounts have prejudiced Watford's position.*

*For example, even if Mr H had acknowledged from the outset, that he did know who the van driver was, I don't think that would have altered the validity of the claim. The policy covers Miss H in these circumstances whether the individual carrying out the malicious act is known to her or a named driver. Similarly, the policy covers her whether or not the motivation for the malicious act is known or unknown or if it is as a result of existing "issues" between the parties. So, whether Mr H disclosed those things to Watford was not material to whether or not this was a situation the policy covered.*

*Further Watford doesn't have any third party insurer to reclaim any outlay from. Also the van driver has been prosecuted for his role in events. So he was clearly to blame for the*

*malicious action regardless of whether Mr H named him when reporting the incident and giving his statement to Watford.*

*I'll add that in more recent correspondence, Watford told Miss H that it was unable to consider her claim under the malicious damage section because, when the claim was first registered, it was recorded as being "hit while parked". But how Watford initially recorded the claim is irrelevant as to whether or not the claim is valid. And Mr H had no control over how Watford classified the incident on its system – reasonably he could only tell it what happened.*

*Watford's own notes on the matter record that Mr H said he had parked the car when the van driver "suddenly appeared and started ramming their vehicle". So, this isn't a case where Mr H has misleadingly described the incident as being an everyday traffic collision. Instead it's been described as a situation where someone "started ramming" their car. That could almost certainly only ever be a deliberate act.*

*Similarly when Mr H gave his statement to Watford's investigator he said the van driver: "deliberately drove straight at my vehicle and rammed it." As such the incident could only reasonably be classified as deliberate, and therefore malicious, and was not simply a coming together of vehicles while one of them was parked.*

*So I think that Mr H has described the circumstances of an incident which the policy covers. And the discrepancies in his account, between the limited detail he gave Watford and the specifics the police noted, do not change that.*

*It follows that, in the specific circumstances of this case, I don't think Watford declined the claim fairly. As I've already said I don't think any discrepancies were material as to whether or not Miss H had a valid claim under the policy terms. So I think it's fair that Watford should settle that claim for the car's value less her excesses.*

*Additionally, I'll add that as Miss H has been without the use of that money Watford should add simple interest to its settlement from the date Miss H submitted her claim to the date it makes payment to her for it.*

*Also, I'm aware that Miss H was left without use of a car and had to borrow money in order to buy a replacement. So the delay in settling her claim has clearly been a significant cause of distress and inconvenience for her. I've thought about that when I've awarded compensation below.*

*Further, Miss H has let us know that Mr H suffers from personal issues which make communication for him more difficult than for many others. And this would have affected how he gave his evidence and possibly how Watford perceived him. Although I note that Watford was unaware, when it interviewed Mr H, of the issues he has with communicating. So I don't think it was in a position to adjust the conduct of the interview or its interpretation of that at the time.*

*Did Watford dispose of the salvage fairly?*

*Watford initially offered to settle the claim in July 2024. The car was a category B total loss. That means it wasn't fit to ever be returned to the road and could only be broken and sold for parts by a suitably authorised dealer. But after offering to settle the claim Watford didn't tell the salvage company storing the car that it had put matters on hold. So the salvage company disposed of the car when it was technically still Miss H's property.*

*Watford has essentially dismissed Miss H's complaint about this, as it said it couldn't return the car to her anyway as she wasn't appropriately authorised to take it. But she could, had*

*she wanted to, instructed her preferred – suitably authorised – salvage agents to break down the car and sell the parts. Although, had she chosen to do that then Watford could have reasonably told her she would have to pay the costs of removing the salvage to the salvage agent of her choice. However, I think the key point here is that Watford sold Miss H's car at a time when it was not its possession to sell, it still belonged to Miss H. So it shouldn't have sold her property without her consent to do so. And it denied her the opportunity to make an informed choice about what she wanted to do with the car. Its action also meant she was caused frustration and disappointment when she found out the car had been disposed of in this way.*

*From the information on file, it's clear that Watford selling her car when it didn't have the right to has been a source of distress and inconvenience for Miss H. So I've thought about the impact of this when I've awarded compensation below."*

## **Developments**

Miss H accepted my provisional decision. Watford did not make any further comment.

## **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 neither party has objected to my provisional findings I see no reason to alter those.

## **Putting things right**

I require Watford to:

- Settle Miss H's claim for the total loss of her car at the date of her claim. It should add simple interest to that settlement at a rate of 8% a year from the date Miss H submitted her claim to the date it makes payment to her.
- Pay Miss H £750 compensation to address the significant distress, upset and disruption to her daily life over a sustained period.

## **My final decision**

For the reason set out above I uphold this complaint. I direct Watford Insurance Company Europe Limited to take the actions described under the heading 'putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 7 November 2025.

Joe Scott  
**Ombudsman**