

The complaint

Mr L has complained Watford Insurance Company Europe Limited declined a claim he made under his motor insurance policy.

What happened

Mr L was involved in an accident in April 2025. He made a claim on his policy and Watford declared his car a total loss. But in May 2025, Watford declined the claim as they didn't think it happened the way Mr L said it did.

Mr L thought this was unfair and said, despite him not speaking English as a first language, an interview Watford conducted was used to discredit his entire case.

Watford maintained their position in a final complaint response in August 2025. They added that their agent who carried out the interview was satisfied that Mr L could speak enough English to engage and understand what was being asked.

Mr L complained to our Service. He said he wanted Watford to pay the full value of his car, and for them to apologise and pay compensation for the unnecessary stress caused by the way Watford treated him.

Our Investigator upheld the complaint. She said Watford didn't set out clearly why they can't or won't proceed with the claim. And recommended Watford proceed with the claim in line with the terms and conditions of the policy. She also asked Watford to pay £150 compensation.

Watford disagreed so the complaint has come to me to decide.

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.

On doing so, I'm upholding this complaint for similar reasons to the Investigator. I've explained why below.

As ours is an informal service, I'm not going to respond to every point or piece of evidence Mr L and Watford sent us. 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.

Watford are the underwriters of this policy. Much of Mr L's complaint concerns the actions of their agents. Watford are accountable for the actions of the agents, so in this decision, any reference to Watford includes the agents' actions.

Watford has an obligation to handle claims promptly and fairly – and to not unreasonably decline a claim. I've considered whether they've met these obligations here.

Was it reasonable for Watford to decline Mr L's claim?

When an insurer receives a motor insurance claim, the first thing they do is assess it to see whether it's covered under the policy terms. It's for a customer to show them an insured event has taken place, and the insurer will cover it if they agree and no exclusions apply.

Mr L's policy says Watford will cover loss of or damage to his car (unless one of the exclusions apply). It's clear Watford agrees an accident happened on a roundabout in April 2025 – and their engineer has confirmed the damage is proportionate and consistent with the incident Mr L described. They haven't relied on any exclusion in the policy to decline the claim.

Watford set out a number of reasons why they don't believe the accident happened in the way that Mr L says it did. Some of these included that Mr L:

- Was unable to provide a definitive time he left the town he came from – and told Watford multiple different times he left. Mr L's wife was heavily pregnant at the time, and Watford thinks she would have expected him home at a certain time.
- Said he was driving through a certain town, but it isn't the most direct route home – and he gave Watford no feasible reason why he took the route.
- Had an annual mileage between March 2024 and March 2025 of 2,160 miles. But he said he took 12 trips over the year from his home to the town he had lunch and the annual mileage for these doesn't add up.
- Said he used satellite navigation, but he does the same journey regularly.
- Said he went to the town he came from to meet a group of friends for coffee, but later said he met friends for lunch.
- Couldn't provide any receipts or bank statements for purchases or any parking fees the eight hours he was at the town where he visited friends.
- Went on a 240-mile round trip but his car didn't show up on an Automatic Number Plate Recognition (ANPR) check.

Even if I thought that some of what Mr L told Watford didn't add up, I don't think these concerns are relevant to what happened during the accident. I haven't seen that it matters whether Mr L had coffee or lunch (or both), whether he and his pregnant wife arranged a time to come home, how many times he travelled the 240-mile trip to this town, or whether he spent money in that town. And I do find it plausible that some of the misunderstandings can be put down to English not being Mr L's first language. So, I don't think these discrepancies are relevant to Mr L being able to substantiate the claim.

Watford's other concerns are about discrepancies in the way Mr L says the accident happened. These included:

- Mr L's description of the damage and how he got his vehicle home wasn't consistent with the images he provided.
- Mr L explained how he gave way at the roundabout before joining it, but this is inconsistent with what their engineer said – that the vehicles would have been parallel upon impact.
- Mr L entered from a wide road to the roundabout from the left lane, so Watford doesn't understand how Mr L didn't see the third-party vehicle approaching.
- The vehicles were parallel, so it wouldn't have been possible for him and the third-party driver to exit the vehicles.

Again, no one is disputing there was an accident between Mr L and the third party – and Watford’s own engineers confirmed a serious accident took place and that the damage is proportionate and consistent with the incident described.

There may be reasons why certain damage can be excluded, but Watford will need to point to what they’re relying on in the policy itself. Watford haven’t clearly demonstrated that an exclusion applies here. If they think one does, they’ll need to clearly set out the relevant clause in the policy and explain to Mr L why they’re doing so. This would give him a chance to respond – and to complain if he thinks they’ve made the decision unfairly.

From what I’ve seen, I’m satisfied that Mr L has met his obligations: which is to show that there’s an insured event under the policy terms. But Watford haven’t shown me any valid reason to decline the claim. Considering this, I’m directing Watford to reassess the claim in line with the terms and conditions of the policy. I appreciate Mr L wants his claim paid, but there may be policy terms Watford seek to rely on, and, in this case, I think it’s fair to give them a chance to do so.

Did Watford handle the claim promptly and fairly?

As I think Watford unreasonably declined the claim, it follows that I don’t think they’ve handled the claim promptly and fairly. Although I think it’s fair for them to carry out investigations into what happened, their decision to decline the claim wasn’t reliant on any policy terms – this would have been frustrating for Mr L, and I understand why he would have thought it was caused by a language barrier. The claim has now been unnecessarily going on for seven months when it should have been dealt with promptly. I acknowledge Mr L’s request for an apology, but this isn’t something I’d ask a business to do as it comes across as insincere – instead, I usually prefer to direct a business to pay compensation to put right any significant distress and inconvenience. And I’ll be directing Watford to pay the Investigator’s recommended compensation of £150 as I think it’s a fair and reasonable amount in the circumstances.

My final decision

I uphold this complaint and direct Watford Insurance Company Europe Limited to:

- Reassess the claim under the terms and conditions of the policy (without declining the claim unless they can point to a particular exclusion or term in the policy they’re entitled to rely on).
- Pay Mr L £150 in compensation for the distress and inconvenience caused by their unfair handling of the claim.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr L to accept or reject my decision before 8 January 2026.

Andrew Wakatsuki-Robinson
Ombudsman