

The complaint

Miss D complains about the insurer of her motor insurance policy, Watford Insurance Company Europe Limited (Watford), accepting liability for an accident in which her vehicle was in collision with a third-party vehicle. While Miss D didn't want to make a claim for the damage to her vehicle, the third-party insurer considered Miss D to be at fault for the accident and made a claim for the damage to the third-party vehicle, supplying dashcam evidence to support their claim. Watford accepted the claim and deemed Miss D at fault for the incident, settling the claim on a 'Without Prejudice' basis. Miss D disputed the amount Watford settled the claim, saying it was too much.

Any reference to Watford in this decision includes their agents.

What happened

In January 2025, Miss D was involved in an accident in which she reversed into a third-party vehicle in a supermarket car park. Miss D contacted Watford to tell them about the incident but said she didn't want to make a claim for the damage to her vehicle. Based on Miss D's description of the incident Watford recorded the incident as one where liability was disputed and might require additional investigation.

However, the following month Watford received allegations from the third-party insurer that held Miss D at fault for the incident. Watford initially replied to say they didn't accept liability, defending their position that Miss D wasn't at fault. The third-party insurer then said they had dashcam footage supporting their position, that Miss D reversed into the third-party vehicle that was stationary at the point of impact. Watford reviewed the footage and concluded the claim would be treated as a fault claim against Miss D. Watford wrote to Miss D to say she would be held 100% liable for the incident and they (Watford) would deal with the claim on this basis. Watford replied to the third-party insurer to accept liability on a 'Without Prejudice' basis. Watford then settled the claim at a value of £3,220.74.

Miss D was unhappy at the amount at which Watford settled the claim, saying it was too high. Watford said they'd reviewed the costs before making payment to ensure they were fair and reasonable. Miss D remained unhappy, also saying she didn't think Watford had adequately investigated the incident. Watford treated her concerns as a complaint.

Watford didn't uphold the complaint. In their final response, issued in July 2025, they set out the sequence of events and their decision to accept liability for the incident, settle the third-party insurer claim and the amount through which they settled the claim on a 'Without Prejudice' basis. Watford also said they had considered the evidence and information available before reaching their decision. While they would always seek to act in Miss D's best interest, where the evidence indicated she wasn't at fault, they also had to consider the economic implications of defending cases where they believed the outcome would most likely be the third party wouldn't be held at fault, should the matter proceed to court. In the circumstances of Miss D's case, the decision reached was that they would be unable to defend the case should it proceed to court.

Miss D then complained to this Service, unhappy at Watford's decision. She said she had witness evidence about what happened, but Watford had said they based their decision on the third-party dashcam evidence. She was also unhappy at the amount Watford had settled the claim, believing it was too much. She wanted Watford to review the claim.

Our investigator didn't uphold the complaint. He thought Watford initially defended the claim but changed their position after receiving and reviewing the dashcam footage. He thought this was reasonable, given the evidence from the dashcam footage.

Miss D disagreed with the investigator's view and asked that an ombudsman review the complaint. She said her photographic and video evidence taken at the time of the incident showed no damage to the third-party vehicle. Nor did the dashcam footage from the third-party vehicle show any damage to the third-party vehicle.

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.

My role here is to decide whether Watford have acted fairly towards Miss D.

The key issues in Miss D's complaint are Watford accepting liability for the incident as a fault claim against Miss D, based on the third-party dashcam evidence, and the amount by which Watford settled the claim, which Miss D feels is too high. Watford say they had to accept liability based on the dashcam footage from the third-party vehicle showed Miss D reversing into the third-party vehicle.

In considering Watford's decision to accept liability for the incident, I've first noted the terms and conditions of the policy – at they do in most, if not all motor insurance policies – provide for Watford to settle claims, including from third parties, as they see fit. *Section 16 General Conditions Applying to the Whole Policy* includes the following statement:

"We, as Your Insurer, can:

- Take over and conduct the defence or settlement of any claim; and*
- Take legal action over any claim.*

These actions may be taken in your name or the name of any insured person..."

Given its significance in Watford's decision to accept liability for the incident and settle the third-party claim, I've reviewed the dashcam footage provided by the third-party insurer to support their version of events, that Miss D reversed into the third-party vehicle, which was stationary at the time. The footage is taken from the third-party vehicle parked in a car park. A vehicle passes by the third-party vehicle, followed by Miss D's vehicle. The third-party vehicle then emerges out of its parking space, in the direction of Miss D's vehicle, before stopping some distance behind Miss D. Miss D then reverses into the third-party vehicle.

Based on the footage, Watford decided they had to accept liability for the incident. It's not my role to determine liability for an accident, but to consider whether Watford acted reasonably in arriving at the decision to accept liability. I've concluded it was reasonable for Watford to accept liability for the incident, as the dashcam footage clearly shows Miss D reversed into the third-party vehicle, which had emerged from a parking space before stopping.

I've also noted the dashcam footage contradicts what Watford initially told the third-party insurer when declining to accept liability, that Miss D was in a parking bay reversing out when the third-party vehicle reversed into the same parking bay, colliding with her.

Given I think it was reasonable for Watford to accept liability, and the policy terms providing them the discretion to settle claims as they see fit, I've then considered whether it was fair and reasonable for Watford to settle the claim at the value claimed by the third-party insurer.

Watford have provided a copy of the outlay claimed by the third-party insurer. I can see the quantum of £3,220.74 comprises repair costs only and is supported by a detailed breakdown of the repairs, including parts and labour (including specialist input, including resetting the vehicle's Advanced Driver Assistance System). The report covering the costs also includes photographs of the damage and the subsequent repair process, including removal, repair and refitting of the front bumper (the area of the vehicle impacted in the incident).

As the costs claimed by the third-party insurer are supported by a detailed repair estimate and photographic evidence of the damage and the repair carried out, then I've concluded it was fair and reasonable for Watford, having reviewed the costs, to accept them and settle the claim in the quantum provided by the third-party insurer.

In disagreeing with our investigator's view, Miss D provided photographic evidence she says shows no damage to the third-party vehicle. She also says the third-party dashcam footage doesn't show any damage to the vehicle. I've considered these points carefully, but they don't change my conclusions. The dashcam footage is taken from the front, inside the third-party vehicle. So, it wouldn't have recorded damage to the front bumper area of the vehicle but did clearly show Miss D reversing into the vehicle.

Looking at the video provided by Miss D, it appears to have been taken of the third-party vehicle while parked on a road, not a car park which was the scene of the accident. It's also not clear at what point the video was taken, given it wasn't in the car park in which the accident occurred. Similarly, the photographs appear to have been taken in a road, given residential property can be seen in the reflection from the third-party vehicle – not a car park. Nor is there any obvious indication of when the photographs were taken.

Given the evidence in the third-party insurer report, which does show damage, then I find that more persuasive than the photograph and video evidence provided by Miss D.

Miss D also questions whether the dashcam footage was taken in a supermarket car park. While there are no visible indicators of it being a supermarket, the footage is clearly in a car park and there is a covered bay of the type used to house trolleys, which indicates it was a supermarket car park. But the more important aspect of the dashcam footage is that it clearly shows a vehicle of the type insured by Miss D reversing into the third-party vehicle, including the registration plate of Miss D's vehicle.

Taking all these conclusions together, I've concluded Watford acted fairly and reasonable in the circumstances of this case, so I won't be asking them to take any further action.

My final decision

For the reasons set out above, my final decision is that I don't uphold Miss D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 3 February 2026.

Paul King
Ombudsman