

The complaint

Mr C complained that West Bay Insurance Plc (“West Bay”) handled a claim against him unfairly under his motor insurance policy.

What happened

Mr C said a third party (“TP”) made a spurious claim against him. West Bay then decided he was responsible in light of witness statements from the TP. He said it subsequently acknowledged it had acted incorrectly and proceeded to dispute the claim with the TP’s insurer. Mr C said he has experienced a poor standard of communication, and that his claim was handled poorly resulting in West Bay settling the claim in the TP’s favour.

Mr C submitted three complaints to West Bay. The business responded to these complaints on 8 October 2024, 9 January and 12 March 2025. All these complaints are being considered here.

In its first response West Bay acknowledged that it initially dealt with the claim incorrectly. It said it should have continued with its consistency assessment of the damage, regardless of the witness statements provided by the TP. West Bay confirmed it would now pursue this with the TP. It apologised for its incorrect handling of the matter and paid Mr C £150.

In its second response West Bay apologised that several emails from Mr C had gone unanswered. It said its engineer report confirmed the damage wasn’t consistent with the accident damage claim. But this had yet to be communicated to the TP’s insurer. The business said it would ensure this was now done and paid Mr C a further £225 in compensation. This was for its poor communication and several months delay in sending the engineer report to the TP insurer.

On 12 March 2025 West Bay sent its final complaint response. It said it had obtained a damage consistency report from an independent engineer. This report concluded the damage found on both cars was consistent with the accident as described by the TP. West Bay said that based on this information it decided not to dispute the TP’s claim. It said it would not be able to defend legal proceedings should this be instigated by the TP’s insurer.

Mr C didn’t think he’d been treated fairly by West Bay and referred the matter to our service. Our investigator didn’t uphold his complaint. She thought it was fair that an apology and compensation was provided for the issues with West Bay’s claim handling. But she didn’t think the business had acted unreasonably when deciding not to defend the TP’s claim.

Mr C didn’t accept our investigator’s findings and asked for an ombudsman to consider his complaint.

It has been passed 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.

Having done so I'm not upholding Mr C's complaint. I'm sorry to disappoint him but I'll explain why I think my decision is fair.

Mr C's policy booklet says:

"The insurer is entitled under this policy to;

- Take over and conduct the defence and settlement of any claim in your name or in the name of any other person insured by your policy."*

This is a common term used in the insurance industry. It means West Bay can decide how to deal with any claim made against Mr C's policy. It doesn't need his permission to do this. That said this doesn't mean that West Bay can just do anything it wants. It must still treat Mr C fairly. I can see from its complaint responses that the business said it dealt with the matter on the best terms for Mr C. I've thought carefully about whether it has treated him fairly.

The records show Mr C contacted West Bay to deny involvement in the incident claimed by the TP. The business received notification from the TP on 4 June 2024. The engineer's inspection was completed on 24 June. I think this was arranged in a timely manner. The report was supplied two days after this.

I've read the engineer's report. He found some light damage to the near side of the front bumper on Mr C's car. This was sent to West Bay. But it didn't do anything with it. In the meantime, I can see that the TP's insurer provided witness statements that put Mr C at the location of the accident. His was provided along with a description of his car and his registration. It was based on this that West Bay contacted Mr C to let him know it wasn't going to continue a defence of the claim.

West Bay has acknowledged that it should have acted on the engineer's report before making this decision. Particularly as this indicated the damage hadn't happened as the TP described. I can understand why Mr C was frustrated. This part of the claim wasn't handled well. So, I think it was reasonable that West Bay apologised, confirmed a defence of the claim would continue, and paid Mr C compensation.

An in-house engineer reviewed the damage consistency report in early October 2024. The record says that when the damage to Mr C's car was compared with the damage to the TP's car, it was not consistent. The engineer said the TP's damage was more typical of an impact with a post. He described a "V" shaped impact with "*course paint damage*". He said this did not align with the minor scrape mark on Mr C's front bumper.

I've carefully compared the photos West Bay's first engineer took of the damage to Mr C's front bumper as well as the damage report photos provided of the TP's car. When comparing the position of the damage on both cars – I think it is possible for the damage to have occurred in the way the TP described.

That said I'm not an expert in damage consistency analysis so I must rely on those who are. I've read the independent engineer's report, which was instructed with court proceedings in mind. Meaning this evidence could be used in court. This gave a more detailed description of the damage to both cars. The engineer reported that the damage on both cars was at a similar height and that the magnitude of the damage was comparable. He concluded that the damage to the rear of the TP's car was consistent with contact from the left-hand front corner of Mr C's car. Based on this evidence the engineer suggested that the claim should

be settled.

Having carefully considered the evidence and analysis, and for the reasons mentioned above, I find the independent engineer's report persuasive.

It's for West Bay to consider how best to proceed with any given claim. But it's reasonable that it will only continue to defend its insured's position if it thinks it has a good chance of success. Otherwise, should the matter continue to be disputed and proceed to court this will add further costs that could have been avoided.

I can understand Mr C's frustration. He maintained that he was not involved in a collision with the TP throughout this claim. But I don't think West Bay treated him unfairly when making the decision it did not to defend the matter and for the reasons it gave.

Mr C raised concerns with the standard of West Bay's complaint handling. I can see the business responded on these points. But complaint handling isn't something that the Financial Conduct Authority (FCA) regulates on. This means I can't consider these concerns here.

Mr C commented that the TP lied to her insurer and to the police. He said he informed West Bay about this, but it ignored him. Mr C also said that the business had refused to cooperate with a court order to provide details of the original claim. I acknowledge Mr C's comments, but the business must base its decision on the available evidence. I don't think it treated Mr C unfairly when relying on this to make the decision it did. I can't see that the issue of the court order was included in his complaint. This means I can't consider it here under the dispute resolution or DISP rules set by the FCA. But if West Bay has failed to comply with instructions from a court he should raise this with the court directly.

In summary West Bay handled Mr C's claim poorly when it advised it was going to settle based on the TP's witness statements alone. It caused a delay of several months when it failed to act on the initial engineer's findings. And it didn't respond to several of Mr C's emails. But I think it has done enough to put this right when it paid a total of £375 in compensation and apologised for the impact this had on him. However, I don't think West Bay treated Mr C unfairly when it dealt with the TP's claim as it did. So, I can't reasonably ask it to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 December 2025.

Mike Waldron
Ombudsman