

The complaint

Mrs A complains Watford Insurance Company Europe Limited (Watford) provided a poor level of service after a claim was made on her motor insurance policy.

Watford are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Watford have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Watford includes the actions of the intermediary.

There are several parties and representatives of Watford involved throughout the complaint but for the purposes of this complaint I'm only going to refer to Watford.

What happened

The named driver on Mrs A's policy was involved in an accident in November 2023 with a third-party, of which they were at fault. Watford settled the third-party claim.

In February 2025 Watford wrote to Mrs A to inform her that it couldn't provide a quotation for motor insurance cover for the following year. She obtained cover from an alternative insurer.

In July 2025 Mrs A said Watford had issued her contradictory written information over the course of the past year about her no claims discount (NCD) status. She said it had incorrectly told her that her NCD had been disallowed, and due to this she had paid much higher motor insurance premiums. She also said Watford had used an incorrect address on important correspondence, when the claim was reopened in 2025.

Watford confirmed her no claims discount was protected at the time of the incident and when her policy renewed in February 2024, and ended in February 2025 she still had eight years NCD.

Because Mrs A was not happy with Watford, she brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said all correspondence regarding her NCD told her to refer to her policy documentation, of which showed she had protected her NCD. And she was also directed to speak to her broker about her NCD certificate. They said it was her responsibility as the policyholder to ensure the information she'd submitted to her new insurer was correct.

As Mrs A is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

Firstly, I reviewed Mrs A's policy documentation. This showed when she took out the policy in February 2023, she declared eight years NCD. I when her cover renewed in February 2024, which was after the accident, there was still eight years NCD recorded. I've not seen any evidence Mrs A's NCD was recorded as zero at any point in time. It was always recorded correctly as protected and was never reduced. And I'm satisfied her policy premiums were correctly calculated during the two years she held a policy with Watford. I saw eight years NCD and that her NCD years were protected was clearly recorded on the policy documents sent to Mrs A.

Mrs A said Watford Insurance sent her several letters clearly stating her NCD was disallowed. I looked at the correspondence sent. I found in January 2024 it sent an email to confirm the third-party claim had been settled. which included the following;
"Please be advised that the claim made in relation to the above incident has now been settled and your No Claims Discount has been disallowed. This means that you will lose 2 years of your current No Claims Discount or this will remain at zero if you have not obtained any years. If you have No Claims Discount protection then the number of years will not be

This means because Mrs A had protected NCD on her policy, the number of years no claims remained at eight years. There was no increase in no claim's years to nine, because a claim had been made.

I saw when the claim was opened again in July 2024 Watford sent her correspondence by email informing her of this and gave her the reasons. It then sent correspondence to inform her it had been closed. The correspondence said the same as the letter detailed above sent in January 2024.

I saw one letter from July 2024 had Mrs A's old address on it. Watford explained this was due to it being sent by a different department who would not have been informed of her new address. This was a procedural mistake by Watford, and I recognise it caused Mrs A to be concerned when she received it. In this case I've seen evidence the correspondence was only sent by email and not in the post, so there has been no data security risk. Watford confirmed its records now all have the correct address.

In February 2025 Watford wrote to Mrs A to tell her that her car insurance was due for renewal, but it was unable to provide a quotation this year. I saw it also emailed Mrs A and said it was happy to provide a letter as proof of her no claims discount entitlement if required.

I understand from Mrs A that when she obtained alternative cover, she believed due to Watford's emails stating her NCD had been disallowed she had lost all her NCD years. She said she struggled to find cover and the cost of policy premiums increased. She said Watford had given her incorrect information about her NCD. She told her service when Watford told her it couldn't provide a quote in February 2024, she'd thought this was because she had lost her NCD. However, I have not seen any evidence of any reason being provided to her.

It's not clear, from the evidence I have been provided with, if the increase in Mrs A's motor insurance premiums are due to her reporting she had no NCD, however even if it was, I'm unable to tell Watford to reimburse her for any additional premiums she has paid, because I have not been persuaded this was due to a mistake made by Watford. However, as she now has proof of eight years NCD then she can provide insurer, her current insurer and it will be able to update her records and recalculate her policy premiums.

When the claim reopened in June 2025, although she no longer had cover with Watford, it informed her of this. And when it closed in July 2025 it sent her correspondence very similar to the one it sent in 2024 which said;

“Please be advised that the claim made in relation to the above incident has now been settled and your No Claims Discount has been disallowed. To understand how your no claims bonus/no claims discount is affected by this incident, please refer to your policy documentation.

Around this time Mrs A contacted Watford and it confirmed to her the claim had been recorded as fault and of the total paid to the third-party. And it again restated *because costs were paid it meant her no claims bonus was disallowed*. It advised if she wanted more details to check her policy documentation or speak with her broker. It also provided her with proof of the eight years NCD she held whilst on cover with it up to 26 February 2025.

When she received this information, she made her complaint to Watford about being provided with incorrect information about her NCD.

After consideration of all the evidence presented to me, I have not found that Watford provided incorrect information about Mrs A’s NCD. This is because all correspondence sent about the claim prior to her obtaining alternative motor insurance cover, advised if she had NCD protection then the number of years wouldn’t be affected, Additionally it referred her to check her policy documents in which it was clear that her NCD was protected.

Although I acknowledge Mrs A had misunderstood the correspondence she received from Watford, when taking out new insurance it is the policy holder’s responsibility to ensure all the details provided are correct. I didn’t see any evidence Mrs A requested proof of her NCD in February 2025 as was offered by Watford, which would have prevented her reporting incorrect information. I’m not persuaded Watford did anything wrong here.

Therefore, although I understand Mrs A will be disappointed, I don’t uphold her complaint and don’t require Watford to do anything further in this case.

My final decision

For the reasons I have given I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs A to accept or reject my decision before 6 March 2026.

Sally-Ann Harding
Ombudsman