

## **The complaint**

Mr W1 complains that his motor insurer, West Bay Insurance Plc trading as Zenith Insurance, underpaid a refund of premium following a claim being changed from fault to non-fault.

The policy concerned is branded in the trading name of the insurance intermediary which sold and administers it. But as West Bay is responsible for decisions and complaints about insurance premiums I will only refer to it within this decision. Also while the underwriter of the policy has changed over time, in this decision I am only considering West Bay's actions.

Mr W1 is the principal policyholder of the policy concerned. His son, who I'll call Mr W2, is the named driver on the policy. Mr W1 authorised Mr W2 to represent him in bringing this complaint. But, for simplicity, except for where I think I need to refer to Mr W2 explicitly, I will refer to Mr W2's comments as being Mr W1's.

## **What happened**

West Bay underwrote Mr W1's policy from January 2022. In March 2022 solicitors acting for a third party made a claim against Mr W1's policy. It appears Mr W1 was made aware of the claim the following month. This referred to an incident with a pedestrian while Mr W2 was driving in September 2021. Mr W2 gave his version of events but denied that he'd actually hit the pedestrian.

Mr W1's policy renewed in January 2023. At that time the third party's claim had not been settled and – as is usual with open or unsettled claims – it showed as a 'fault' claim against Mr W1's insurance history. In December 2023, at Mr W1's request, West Bay cancelled the policy.

The third party's claim was eventually closed, without West Bay making any payment to the third party, in June 2024. Mr W1 complained to the Financial Ombudsman Service about how the claim had been recorded. One of our Investigators looked into it. In March 2025, under a separate reference number to this complaint, she said she thought that West Bay had recorded the claim fairly. But she noted that it hadn't calculated if Mr W1 was due a premium refund because the claim was closed as non-fault. So she said it should do so and add simple interest to any refund paid.

West Bay calculated that Mr W1 was due a refund of £109.11. It paid that amount, together with interest of £8.58, to him. Mr W1 felt that he was owed a higher refund than that and complained. West Bay responded on 13 June 2025. It said it believed it had calculated the refund fairly.

Mr W1 brought his complaint about West Bay's refund calculation to this Service. Two of our investigators have looked into the matter. They were both satisfied that West Bay had calculated the refund fairly. Mr W1 didn't agree so the complaint's been passed to me to determine.

## **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.

Since Mr W1 was initially contacted about the third party's claim in April 2022 he has made a number of complaints. But, I do not intend to consider all of those here. That's because, as our Investigators have previously explained to him, he has brought some of those out of time under the rules we must follow.

Also, in line with our usual process I don't intend to revisit Mr W1's earlier complaint that we have considered under a separate reference number. That means within this decision I will not be addressing any complaints Mr W1 may have about, amongst other things, a 'double' registration of the claim, premium payments made after the policy was cancelled, or how West Bay recorded the claim on the Claims and Underwriting Exchange<sup>1</sup>.

Instead I will only be addressing Mr W1's complaint, which West Bay responded to in June 2025, concerning the amount of the premium refund.

Mr W1 said he believes West Bay owes him a refund for policies spanning the period between 2021 and 2025. But I'm satisfied he's mistaken.

Mr W1's policies ran from January to January each year. While the incident which led to the claim happened in September 2021 his insurer at that time was unaware of that claim until March 2022. So the claim did not affect the premium for the policy which began in January 2021 and ended in January 2022.

Similarly, when Mr W1 took out his policy in January 2022 West Bay was unaware of the claim. So the premium it charged at that time didn't take account of the claim. And, after it became aware of the claim it didn't charge Mr W1 any additional premium as a result, in fact his premium actually went down slightly. So Mr W1 was not due any refund in premium for the period from January 2022 to January 2023.

However, when Mr W1 renewed the policy in January 2023 the claim was still not settled and West Bay treated it as a 'fault' claim. This caused the premium to rise. After our Investigator recommended that West Bay should recalculate the premium, treating the claim as non-fault, West Bay said this caused the premium to reduce by £109.11.

I'm aware that Mr W1 thinks the claim must have had a more dramatic effect on his premium than that, as it went up significantly in 2023. But West Bay has previously explained that the cost of premiums rose generally in 2023, and it was those factors, rather than the fault claim alone, which caused his premium to rise as steeply as it did.

Further, West Bay has provided us with some information showing how changing the claim from fault to non-fault caused the premium to reduce. That information is commercially sensitive so I can't share it with Mr W1. But having considered that information carefully, I'm satisfied West Bay does not owe Mr W1 any more than the £109.11 it has already refunded to him for his 2023 premium.

In addition Mr W1 thinks that the recording of the claim also affected his premium for the policy year beginning in January 2024. But I've seen that, while West Bay did offer to renew his premium in January 2024, before that happened Mr W1 cancelled the policy from December 2023. And I've seen no convincing evidence, beyond Mr W1's comments, that West Bay insured him again after this date. So it would not be responsible for any premium he paid for his insurance from December 2023 onwards. So I'm satisfied it does not owe him any refund of premium for that period.

It follows that West Bay is only responsible for paying Mr W1 a refund for the amount he overpaid in 2023, And, as I've already said, I'm satisfied it's already sufficiently refunded him for that.

It might be the case that Mr W1's new insurer increased his premium from December 2023 because the claim was still showing as a fault claim at that point. But I've noted that West Bay has since written to Mr W1 confirming that it had recorded the claim as non-fault (no

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<sup>1</sup> This is a shared database of certain insurance incident and claims.

claims discount allowed). And it advised him that he can pass that letter onto his new insurers to recalculate if any premium refund is due. That's a reasonable step for it to take.

So that I'm satisfied West Bay does not owe Mr W1 any further refund.

### **My final decision**

For the reasons set out above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 February 2026.

Joe Scott  
**Ombudsman**