

The complaint

Mr T complains about how Watford Insurance Company Europe Limited ('Watford') decided liability and handled a claim under his car insurance policy.

What happened

Mr T had a car insurance policy with Watford.

In mid-February 2025, he was involved in a collision with a third-party vehicle causing damage to his car. The third party vehicle was also damaged, but this wasn't apparent at the time.

He contacted Watford and told it about what had happened. He said he did not want to claim from his own policy as he believed the third party was entirely at fault and wanted to claim from their policy. Watford recorded it as 'Notification Only' on its system.

Watford said it had not been able to establish whether the third party was insured, and it said Mr T may need to claim from his own policy. Mr T declined to do this.

Mr T thought the third party was responsible for the collision. The third party thought it would be Mr T's fault. Mr T attempted to claim directly from the third party's insurer.

Mr T didn't initiate his own claim under his policy until late May.

The claim was ultimately settled on a 50/50 basis.

Mr T complained. He said he told Watford that CCTV was available in that location from the local authority. Watford had no records of him telling it this, but also couldn't provide a copy of a relevant phonecall. It didn't uphold his complaint.

As Mr T remained unhappy, he brought his complaint to this service. Our investigator looked into it and thought that it would be upheld in part. He thought Watford's failure to take action on recovering the CCTV had caused Mr T distress and inconvenience, and it should pay him £400 compensation. He also said it should refund increased premiums adding 8% simple interest.

Watford agreed with the view. It recorded the claim as non-fault with bonus allowed for Mr T.

Mr T didn't agree with the view and asked that his complaint was reviewed by an ombudsman. He asked for a refund of 50% of his excess, additional compensation in the range of £500-£1500+, the costs of therapy treatments due to the way Watford handled his claim, and assurance that his future premiums wouldn't be impacted. Because Mr T didn't agree, his complaint has been passed to me to make a decision.

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.

I'm upholding Mr T's complaint but I'm not going to increase the level of compensation Watford needs to pay, or ask it to pay another further. I'll explain why.

I'd like to assure him that I've read the complete file, even if I don't refer to it here. This is in line with our informal approach.

Looking at the beginning of Mr T's claim, I can see his initial call to Watford was handled in line with his wishes as a notification-only claim while he took action against the third-party insurer directly.

I've been provided with a copy of the initial phonecall and there's no mention of the CCTV on it. Mr T has said there was a second call in which he said CCTV covered the junction and Watford should obtain a copy of the footage. This conversation wasn't saved by Watford, which also has no file notes about what was discussed.

This service isn't an expert on liability, and it's important Mr T understands we're not able to make a decision on who caused the collision. But what we're able to do is look at whether Watford acted fairly in how it dealt with his claim.

I'll briefly explain that the circumstances of the incident were that both Mr T and the third party were looking to exit a dual carriageway onto an exit lane, with Mr T in the rear position. Mr T said he exited into the adjacent lane and started to pass the third party, then the third party also exited without indicating, and possibly using a mobile phone, into the side of his car. The collision was in wet and presumably dark conditions given the timing.

The third party said Mr T exited then undertook their car at high(er) speed, they exited correctly and collided. The damage was scratches and scrapes along Mr T's offside and the third party's nearside.

I've thought about this carefully, and I think it's fair I say that collisions like these are often those where liability is decided on a split basis. I can see Watford fairly managed Mr T's expectations on this point over the course of his discussions with it.

Mr T has explained that he told Watford about the presence of CCTV on 24 February. The local authority deletes the footage after 31 days. Mr T asked Watford about the footage on 9 April, and it was at this point it became apparent that Watford had no notes about the existence or retrieval of the footage. By this time it was beyond 31 days and no footage was available.

CCTV can be a useful piece of evidence when the parties are disputing liability for a collision, but the footage may not have shown the collision clearly. Or it could have shown that Mr T was at fault for what happened. I've made the point above about the road conditions at the time.

I think what's important here is that Mr T didn't bring his own claim on his own policy until late May. Until that point it was recorded by Watford as 'notification-only' at Mr T's specific request. What I think that fairly means is that Mr T didn't want to have amounts recorded as being paid against his own policy – and it's important he understands that if Watford carried out work on the claim it would have incurred costs of its own. It's likely those costs wouldn't have been recoverable from a third party because Mr T hadn't yet made his own claim.

The file shows me that Watford explained to Mr T that he hadn't yet made a claim at different points in April and May. What this fairly means is that it hadn't made enquiries of its own –

because Mr T was making a claim from the third-party insurer directly.

So, I don't find Watford's actions unreasonable, but I can appreciate that Mr T feels that Watford should have gone to recover the CCTV footage when he told it about the possible coverage.

I feel I may also be able to question whether Watford should have done more to provide some direction and clarity to Mr T's claim, but having reviewed the evidence on file I don't think I can fairly say it acted unreasonably. It gave him choices, and Mr T chose to follow this own path by trying to claim directly from the third party's insurance.

He had the ability right from the start to claim under his own policy for the damage, which would have meant Watford dealt with his damage claim and engage with the third party immediately. It may also have meant it took faster action to recover the CCTV footage.

But Mr T chose not to do so. So, while I agree with him that it's more likely than not that he did have a conversation with Watford about CCTV, as I've said above, that footage may not have been useful for Mr T's claim against the third party. On balance, I think Watford caused Mr T's some level of distress and inconvenience here. But I also don't think I can fairly say Watford needed to make efforts to acquire the footage given Mr T's adamantness that he was claiming directly from the third party's insurer and I think Mr T is responsible for much of his own distress.

In the absence of further, independent, evidence, I can't say that Watford's decision on liability was unfair. I do appreciate the strength of Mr T's feelings here, as he will feel that Watford's failure to gather the footage led to the split liability decision, but as I say above there may be doubts about the quality or availability of that footage. And his actions meant that I don't think Watford felt it needed to obtain the footage.

I'd also point out that under the policy terms (which I've not been provided) Watford generally has the ability to decide liability whether Mr T agrees or not. This is a standard term in insurance policies.

In his responses to this service post-view, Mr T has asked that I consider his direct financial loss of the part of his excess he needed to pay, his therapy costs caused by Watford's mishandling of his claim, the compensation level which he didn't think was enough, and the impact on him of possible future premium increases.

I've thought about this, and I think the level of compensation agreed by Watford is fair and in line with this service's guidelines. So I don't think it needs to pay him an additional amount.

He has a duty to pay his excess under the policy terms, and that's irrespective of whether he's found liable for a collision or not. So, I can't fairly say Watford needs to pay him back a proportion of it.

Mr T has also provided evidence of therapy sessions he said he's had because of his distress caused by Watford's handling of his claim. As I mention above, I think Watford's handling of the claim has caused him some distress, but I think the amount of compensation it has agreed to pay him is enough to include these costs.

Finally, Mr T has asked that this claim wouldn't affect his future premiums. I note that he's currently not driving a car and has no motor policy. Watford has recorded the claim as non-fault, with No Claims Discount allowed, and I think that's fair. When Mr T buys cover in future, his driving and claims record will likely be taken into account, but it's not the role of this service to interfere in how much companies charge for cover and I'm not going to ask

Watford to take any further action as I think it's already acted fairly in how it recorded the claim.

My final decision

It's my final decision that I uphold this complaint. I direct Watford Insurance Company Europe Limited to pay Mr T £400 compensation for his distress and inconvenience.

Watford must the compensation within 28 days of the date on which we tell it Mr T accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 25 February 2026.

Richard Sowden
Ombudsman