

The complaint

Mr F complains West Bay Insurance Plc (West Bay) caused delays in settling liability on a claim on his motor insurance, which he said caused increased insurance premiums. He also said it didn't refund his policy excess.

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

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

What happened

Mr F made a claim on his motor insurance policy after being involved in a road traffic collision in June 2023.

West Bay progressed with the claim as non-fault. This was disputed by the third-party insurer. The claim was recorded as open.

Mr F said when he tried to obtain a new motor insurance policy, he had trouble obtaining cover due to an unresolved claim being recorded, and he had to pay increased premiums. He said he wanted the additional costs he had to pay for his policy premiums paid, and for his policy excess to be refunded to him.

West Bay acknowledged there was a lack of communication during the claim. It said it could have been more proactive in providing regular updates and responded to emails. It awarded £300 compensation to apologise for the delays in settling liability and the recovery of his policy excess.

Because Mr F was not happy with West Bay, he brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said it was clear there were delays caused by West Bay when progressing Mr F's claim. They said West Bays legal team had recovered the policy excess on Mr F's behalf. They said the £300 offered as compensation to Mr F from West Bay was fair and reasonable.

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

What I provisionally said

The accident happened in June 2023. I saw when West Bay contacted the third-party insurer it disputed liability. Due to this the claim remained as open whilst it liaised with the third-party insurer regarding liability.

The repairs to Mr F's car were completed a few weeks later by one of West Bay's approved repairers. Because liability hadn't been accepted by the third-party at the time the repairs were completed and the policy excess isn't covered by the motor insurance policy, Mr F had to pay the excess of £250 direct to the approved repairer. This is standard practice and if liability is accepted by the third-party insurer the excess can be claimed from them and refunded to the policy holder. I am unable to tell West Bay, or any insurer, to refund the policy excess or close the claim until it has agreed liability and recovered its losses. However, there was an avoidable delay due to West Bay not progressing acceptance of claim liability with the third-party.

I saw Mr F contacted West Bay at the end of August 2023 asking for an update. West Bay didn't get back to him. I saw evidence that West Bay actively pursued the third-party insurer up to January 2024, and because liability wasn't resolved it issued proceedings at the end of February 2024.

Mr F contacted West Bay again for an update in November 2024. At this point it instructed its solicitors who then began to liaise with the third-party insurer to recover the claim outlay in full. I didn't see any evidence of any activity of West Bay pursuing liability of the claim with the third-party insurer between March 2024 and November 2024. It's not clear why there was no activity between these dates.

When Mr F's policy ended in July 2023 he chose not to renew with West Bay. He obtained alternative motor insurance cover. When his new insurer checked his details it was found there was an open claim he hadn't declared, and as a result of this open claim charged him an additional amount of £126.44. I am unable to say the claim was incorrectly recorded as open at this point, because it is standard practice for a claim to be recorded as open until liability is agreed. Once the claim is settled as non-fault and closed, an insurer can recalculate premiums, and a refund of any reduction in premiums should be made.

Due to the avoidable delay caused by West Bay in progressing claim liability in this case, more than two years have now passed and Mr F has taken out more than one term of motor insurance cover in which the open claim was used in the calculation of his premiums. They have both now lapsed. I don't think it's reasonable to ask an insurer to re-rate a lapsed policy. Therefore, I intend to require West Bay to compensate Mr F for any additional premiums on the lapsed policies, which will mean he is reimbursed for any additional premiums paid .

Mr F provided evidence of the motor insurance cover he has obtained in which the open claim from June 2023 was used to calculate the policy premiums. I saw the cover from July 2023 was increased by an additional amount of £126.44 when his new insurer included the open claim. I intend for West Bay to reimburse this amount to Mr F. He also took out another annual policy between 7 November 2024 and 6 November 2025. There is no detail as to how the open claim affected the policy premiums for this term of cover. Therefore West Bay should provide details of what it would have charged for cover with the claim recorded as an open claim, and what it would have charged with the claim recorded as non-fault. And I intend for West Bay to refund any difference to Mr F.

I saw West Bay accepted there were significant delays in the claim journey and this had delayed recovery of his policy excess. In December 2024 it awarded him £300 compensation to apologise for the delays in settling liability and recovery of his policy excess, increase in renewal premiums and lack of communication. I saw evidence of West Bay's legal representative requesting the third-party settle the £250 policy excess. It has agreed this amount, plus interest, will be refunded to him once received, and that it would close the claim and allow his no claims discount.

I recognise Mr F spent time contacting West Bay to obtain updates of which caused him inconvenience, however I think the £300 compensation awarded was fair and reasonable in the circumstances of this complaint and is in line with our Service's approach.

Therefore, I intend to uphold this complaint and intend to require West Bay to refund to Mr F the additional costs he has paid for his motor insurance since July 2023. I intend for it to pay £126.44 for the cover between July 2023 and July 2024, plus any difference in what it would have charged for cover between 7 November 2024 and 6 November 2025, with the claim recorded as an open claim, and what it would have charged with the claim recorded as non-fault. 8 % simple interest should be added from the date each policy started to the date the refund is made.

For clarity in this case I've seen evidence that since Mr F brought his complaint to our service in April 2025, West Bay's legal representative obtained a refund of his policy excess from the third-party insurer and this has been refunded to him, plus interest. And the claim has been recorded as non-fault and closed. It has also recorded his no claims discount to allowed.

Responses to my provisional decision

Mr F responded and said;

- He agreed with the solution proposed for the topic of additional vehicle insurance costs, providing the estimate is an honest representation.
- He has still not received the refund of the excess plus interest.
- A claim for other uninsured losses has not yet been settled.

West Bay responded and said;

- It can't be held responsible for additional premiums charged of £126.44 when it was found Mr F hadn't disclosed the incident to his new insurer.
- It said it appreciated that almost two years passed before the claim was settled, but felt this was mainly due to the third-party not accepting liability and repaying its costs in the first place. The instruction to its solicitor to recover costs was a last resort.
- The claim was closed in May 2025 and Mr F could've contacted his insurer at this point to recalculate his premiums.

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.

In response to Mr F's comments

- West Bay have confirmed its legal representative refunded his policy excess by bacs transfer on 1 May 2025. West Bay must provide evidence from its legal representative of exactly what Mr F was sent. This must include the date sent and details of the bank account it was sent to and provide this to Mr F so he can locate the payment.
- I am unable to consider Mr F's specific point about a claim for loss of earnings not being refunded as part of this complaint. This is because his claim for uninsured losses was started after West Bay made a response to his complaint about delays in settling liability, poor communication and increase in premiums, and therefore does not form part of this complaint.

In response to West Bay's comments

- Because West Bay were maintaining the claim as non-fault, Mr F disclosed it to his new insurer as a non-fault claim. He was unaware the claim was still classed as open. When it was found to be still open by the new insurer, premiums were recalculated and increased by £126.44. The increase can be directly attributed to the claim being recorded as open.
- I acknowledge West Bay's further explanation about why there were delays, of which I had already considered. I maintain it was responsible for the delay in not progressing the claim when it could have done between March 2024 to November 2024.
- The claim was still open at the time Mr F renewed his policy in 2024 therefore he had to disclose an open claim. I acknowledge West Bay said he had the opportunity to contact his insurer when the claim was closed in May 2025, however, I have not seen any evidence he was notified it had been closed as non-fault at this time.

Therefore, based on the responses I've reviewed; I maintain my provisional decision and I uphold Mr F's complaint.

Putting things right

I require West Bay to refund the additional costs Mr F has paid for his motor insurance since July 2023. I require it to pay £126.44 for the cover between July 2023 and July 2024, plus any difference in what West Bay itself would have charged for cover between 7 November 2024 and 6 November 2025, with the claim recorded as an open claim, and what it would have charged with the claim recorded as non-fault. 8 % simple interest should be added from the date each policy started to the date the refund is made. And provide him with assured evidence of the refund it made to him in May 2025.

My final decision

For the reasons I have given, I uphold this complaint.

I require West Bay Insurance Plc to

- refund to Mr F the additional costs he has paid for his motor insurance since July 2023. I require it to pay £126.44 for the cover between July 2023 and July 2024,
- refund any difference in what West Bay would have charged for cover between & November 2024 and 6 November 2025, with the claim recorded as an open claim, and what it would have charged with the claim recorded as non-fault. 8 % simple interest should be added from the date each policy started to the date the refund is made.
- Provide Mr F with assured evidence of the refund made to him in May 2025.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 7 January 2026.

Sally-Ann Harding
Ombudsman