

The complaint

Mr P is unhappy with Watford Insurance Company Europe Limited's (Watford) handling of a claim against his motor insurance policy.

What happened

Mr P was involved in an accident in February 2021 with two other drivers. He has had a previous complaint dealt with by our Service in January 2022 in which he complained about Watford's decision to cancel his policy. Mr P is currently complaining about Watford's delay in providing him with a breakdown of the costs it paid to the two other drivers for which it's pursuing Mr P for.

Mr P is also unhappy about the amount (around £5,000) Watford paid to the other drivers and asked for evidence to support the costs. In its response of September 2025, Watford said that it was satisfied the costs were reasonable and that Mr P needed to pay these. Unhappy, Mr P brought his complaint to our Service for a review.

One of our Investigators looked into this complaint and initially upheld it due to Watford not providing sufficient evidence of the costs it'd paid. In response to the Investigator's view, Watford provided further evidence. Upon reviewing the further evidence, the Investigator thought Watford had settled the third party's claim fairly, so he issued his revised view not upholding the complaint. Mr P disagreed.

In his response to the Investigator's revised view, Mr P no longer disputed the damage and hire costs for the first driver. But he maintained that Watford hadn't demonstrated that the front-end damage to the second driver's vehicle was caused by the accident. He said that Watford had settled this driver's claim on a without prejudice basis and that this indicated uncertainty about the cause of the damage. Lastly, Mr P said that despite repeated requests, Watford didn't provide him with the evidence of the third party's cost until 2025 and that this delay prejudiced his ability to challenge the costs.

As the complaint couldn't be resolved, it has been passed to me for 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.

Having done so, while I appreciate it will likely come as a disappointment to Mr P, I agree with the conclusions reached by the Investigator. I'll explain why.

I'm aware I've set out the background to this complaint in less detail than the parties have presented it. I'm not going to respond to every single point raised. Instead, I've focused on what I find are the key issues here. I assure both parties, however, that I've read and considered everything they've provided.

We're not engineers. So, we don't assess how or whether damage has occurred. Our role is

to consider if the insurer has fairly considered the evidence available and justified its decision about the settlement of the claim. We look at all the available evidence, including anything provided by the policyholder, the insurer, and the repairer. We normally give the greatest weight to independent expert motor engineer reports.

I understand Mr P's point that Watford asked him to pay the costs it paid to settle the third party's claim without providing him with evidence of the costs. But Watford has the right to settle any claim as it sees fit and this is clearly outlined in the policy terms. Watford doesn't have to consult a policyholder before doing so. However, it still has a duty to ensure that costs claimed are reasonable and supported by evidence. I think Watford has done this in this case as it has provided evidence to our Service of these costs.

With the claim for damage to the second driver's vehicle, Watford was presented with an engineer report including a repair estimate. So, the costs were evidenced. I appreciate Mr P doesn't think the front-end damage to the vehicle was related to the accident, but the engineer confirmed the damage and work required to repair that damage was consistent with the described accident.

So, I think it was fair and reasonable for Watford to rely on the engineer's expertise as the expert in these matters. I note that Mr P hasn't provided any alternative expert evidence, other than his own comments, to dispute the engineer's conclusions. So, I think it was reasonable for Watford to settle the third party's claim for the cost of those repairs. It follows that I'm not going to direct Watford to do anything different here.

Mr P thinks that Watford's decision to settle the claim on a without prejudice basis indicates uncertainty about the causation of the damage. However, settling on this basis simply means that Mr P would be free to take his own action against the other party in court if he wished to. From the information available to it, I think Watford settled the third party's claim reasonably and in line with the policy's terms.

Mr P has said Watford's delay in providing him with evidence of the costs has prejudiced his ability to challenge them. However, I don't think that's the case. I say this because when Watford provided him with this evidence, he was still able to challenge the costs by raising this complaint. I'm also mindful that claims of this nature do take time to settle due to the number of parties involved. It's regrettable the claim took a long time to settle but I don't think Mr P was significantly impacted by this.

Ultimately, Watford made Mr P aware it'd pursue him for the recovery of any payments it made to the other parties in February 2021. And the Ombudsman's final decision on Mr P's previous complaint stated that 'Watford has given this Service information that the third party's claim totals over £6,000'. So, I'm satisfied that Mr P was aware he'd be liable for the third party's claim and the rough amount he would be liable for. I therefore don't think the bill of around £5,000 Watford sent to Mr P in February 2024 would have come as a shock to him.

For the reasons I've set out above, I'm satisfied Watford treated Mr P fairly and reasonably in its handling of the claim. So, I don't require Watford to do anything.

My final decision

For the reasons provided, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 10 February 2026.

Linda Tare
Ombudsman