

The complaint

Miss S complains that West Bay Insurance Plc (West Bay) avoided her motor insurance policy and refused to pay her claim.

What happened

Miss S took out a motor insurance policy with West Bay through a price comparison website. Unfortunately, her vehicle was stolen – and she reported this to West Bay in March 2025.

West Bay considered Miss S's claim but said she didn't declare modifications to her vehicle when taking the policy out. And they considered this to be a careless qualifying misrepresentation, which entitled them to avoid the policy, decline her claim and refund her premium. They also said Miss S answered questions incorrectly about the age and value of her vehicle when taking out the policy. Miss S complained about West Bay's decision. West Bay sent her a final response letter on 27 May 2025 maintaining their position – but said that they had entered into discussions with Miss S about how much they would pay out on the claim when they shouldn't have and paid her £300 compensation for poor handling.

Miss S referred the complaint to our Service, and our Investigator thought it shouldn't be upheld. He agreed there had been a careless qualifying misrepresentation and that West Bay were entitled to avoid the policy, so didn't ask them to take any action.

Miss S said she didn't agree with the Investigator. She said she didn't know about any modifications and bought the vehicle the way it was – apart from the one modification she paid for, which was heated seats. She said she wants her claim paid.

The complaint couldn't be resolved so it came to me to decide. I wrote a provisional decision upholding the complaint. Its findings form part of this final decision, so I've copied them in below. I also invited any further comments or evidence before I issued a final decision. I said the following:

As ours is an informal service, I'm not going to respond to every point or piece of evidence Miss S and West Bay sent us. Instead, I've focused on what I consider to be key or central to the complaint. But I'd like to reassure both that I have considered everything submitted.

West Bay said when Miss S took out the policy, she misrepresented when giving answers about vehicle modifications, the date of purchase, and the value of her vehicle. For the first two of these, the relevant law is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). I'll consider these first. I'll comment on the value of the vehicle separately later in this decision.

CIDRA requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer. And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is – what CIDRA describes as – a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer has to show they would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation.

CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.

Modifications

West Bay thinks Miss S failed to take reasonable care not to make a misrepresentation when she stated in her online application that there were no modifications to her vehicle. They said there were multiple modifications to the vehicle as evidenced by an advert they found of the vehicle and an invoice the dealer provided.

The relevant question asked if the vehicle has any modifications and explained underneath that modifications are non-standard changes made to the vehicle after manufacture, including things like new spoilers or alloy wheels – and mentioned for the insurance to be valid you must include all modifications.

She answered ‘no’ to this question. And the statement of fact says asks if the vehicle has been modified to change the makers standard specification or alter its performance – and that it includes cosmetic changes like “Body Kits, Alloy Wheels, Spoilers and Side Skirts”. This is also marked as ‘no’.

West Bay said Miss S’s vehicle had modifications and that she knew about them when buying the vehicle. They’ve given multiple reasons for this. They said:

- There’s an advert of Miss S’s vehicle showing £40,000 worth of upgrades including an exhaust change, grill, branded fuel cap, alloy wheels, and side steps.*
- There’s an invoice which includes the alleged modifications to Miss S’s vehicle. Listed in this invoice are individual prices for an upgraded grill, a rear wheel cover, matt black alloy wheels with 20 inch “chunky tyres”, and a full leather upgrade.*
- Miss S bought the vehicle from a dealer specialising in modifications.*
- They find it hard to believe someone would pay over £50,000 for a vehicle without modifications given that a standard version of the model would have been worth around £37,000.*
- Miss S provided evidence of modifications in support of an increase in what she thought West Bay should pay for the claim.*

I’ve thought about each of these in turn.

I’ve considered the difference between Miss S’s vehicle compared to examples of what the alleged modifications would look like, and I’m not persuaded that either the advert or the invoice can be relied on to give a true representation of the modifications.

When our Investigator rang the dealership, the dealer said the higher priced invoice which included the modifications shouldn’t have been passed onto West Bay as it wasn’t a true reflection of the price. They said they sent it to Miss S to be clear about modifications if they were priced separately. And internal emails from the dealer suggest the only items Miss Bay paid for separately were the heated seats and warranty.

One of the pictures Miss S submitted clearly shows a vehicle which is silver; has silver alloy wheels; no side steps; and the fuel cap isn’t branded. West Bay have argued that this picture may not be of Miss S’s vehicle, but I’ve seen other pictures which include some of Miss S and her dog inside the same vehicle, one of it at the dealership when being repaired, and one with Miss S’s registration plate. So, I’m satisfied the pictures are of Miss S’s vehicle.

Based on these pictures, I do think it's possible some of the modifications were on Miss S's vehicle when she bought it, but the question I have to consider is whether it's likely Miss S, as a reasonable consumer, should have reasonably known about them.

I agree that Miss S disputed what she thought was a fair market value for her vehicle at the time of loss. But having listened to the calls West Bay sent us, I don't think Miss S ever provided the modifications as proof of this – other than the heated seats. West Bay's call handler did mention a conversion that was included at a depreciated value and said all the other modifications on the vehicle weren't declared. But Miss S said she didn't know about that. She said that a valuation of £9,000 is quite a lot less than what she paid – and told the handler she paid the extra £4,000 for the modifications. I think it's more likely that her argument on the call was about how much the vehicle is worth based on what she paid for it rather than about the modifications West Bay saw on the advert and invoice – and I do think the modifications she mentioned are more likely the warranty and the heated seats.

I'm aware Miss S bought the vehicle from a dealer specialising in upgrading and modifying certain types of vehicles. I'm satisfied that when buying from this type of dealer, some consumers might expect that modifications will be available – and it's likely people who specifically want modified vehicles buy them here. So, if there were obvious modifications to Miss S's vehicle, then I may have thought it would be fair for West Bay to consider Miss S had made a misrepresentation about them.

In this case, Miss S has set out that she was walking her dog and saw the jeep in the garage, thought it looked good and bought it. She said she was aware of the dealership's business model, and she was offered many modifications and conversions as part of the sales pitch but opted for heated seats.

There's nothing in the calls or other evidence that persuades me Miss S was aware of any modifications at the point of sale (other than the heated seats) that would potentially need to be declared – I think it's more likely that she simply thought she should be paid more for the vehicle based on the amount she paid for it.

Considering the evidence submitted, I find Miss S's testimony plausible, and I'm persuaded that she thought she was buying a vehicle with one upgrade: the heated seats. So even if the vehicle had some of the other modifications that West Bay allege, I don't think Miss S was aware of them – and I'm not persuaded a reasonable consumer would have been either.

This means I think the only misrepresentation Miss S made was about the heated seats. Miss S has acknowledged she should have told West Bay about this modification, so I don't think it's in dispute that Miss S did fail to take reasonable care when answering about these – and I agree that a reasonable person would consider the seats to be a modification.

So, now I have to consider whether this misrepresentation was a qualifying one. West Bay have confirmed that they would have still quoted for the heated seats if she declared them. Since they haven't shown me that they would have done anything differently had they known about the seats, I'm not satisfied Miss S has made a qualifying misrepresentation under CIDRA. And because of this, I don't think it's reasonable for them to take any action including declining the claim or voiding the policy.

Purchase date

West Bay thinks Miss S failed to take reasonable care not to make a misrepresentation when she stated on her online application that she bought her vehicle in 2022. The relevant

question asked, "When was the car bought?" to which she answered "March 2022". And the statement of fact also says the date of purchase was 1 March 2022.

Miss S accepted she made a mistake when entering the date of purchase. This is unfortunate, but I agree that a reasonable person would have checked the dates were correct and so I'm satisfied Miss S failed to take reasonable care not to make a misrepresentation.

Again, I've gone on to think about whether Miss S's misrepresentation was a qualifying one. West Bay said they likely would have charged a different premium had she told them the correct purchase date but that they can't confirm what the premium would have been. They said they can't obtain that information once the policy is cancelled.

Since West Bay haven't been able to show what action they would have taken had Miss S not misrepresented, there's no remedy under CIDRA for them to take. So I'm not persuaded they can decline the claim for this reason either.

Vehicle value

West Bay thinks Miss S failed to take reasonable care when answering a question about how much her vehicle was worth. But I don't think CIDRA is the relevant law here. It's because if someone is asked how much their vehicle is worth, the answer is a statement of opinion, not fact. And CIDRA can only apply to statements of fact. So, I don't think Miss S can make a misrepresentation under CIDRA.

But whether CIDRA applies or not, I think applying an approach similar to that set out in the law helps lead us to a fair and reasonable answer. This is because I would still expect any consumer answering questions about the value of their vehicle to give their insurer, to the best of their ability, an answer that was within a reasonable range of a fair value for their vehicle. So, I've considered whether Miss S did this in this case.

When taking out the policy, Miss S was asked on the comparison site about the value of her vehicle. There was a box where she needed to fill in the current vehicle market value. And there was a drop-down section Miss S could have clicked on labelled 'Help with valuing the car'. It said:

"The value depends on things like mileage, modifications and overall condition of the car. If your car is stolen or written off, and a claim is made, it'll usually be worth its market value at that point. Some insurers may use the value stated on the quote so be sure to check the insurance terms & conditions before choosing a policy."

The statement of fact shows Miss S put £36,698 as the value of her vehicle. West Bay said that Miss S must have known the value of her vehicle was higher than this when taking out the policy considering she had just paid around £54,000 for it. They said that had they known this was the value of her vehicle, they wouldn't have offered her a policy.

When I asked Miss S why she wrote £36,698 after buying the vehicle for much more than that, she said this was the amount that was pre-populated in the box on the price comparison website. She said she checked this with a tool on a common vehicle purchasing site, and this was in line with the amount in the pre-populated box too. Considering this is in line with the amount West Bay said to us that the vehicle is worth without any modifications, I don't find this answer unreasonable. For me to agree Miss S gave an answer that wasn't within a reasonable range, I'd need to be persuaded Miss S knew the answer she gave was wrong. And I'm not persuaded West Bay have shown that.

West Bay have also shown that Miss S applied for insurance on at least one other occasion, saying that her vehicle was worth around £29,000. I don't think this changes things. Miss S didn't take out the policy where she inputted the lower amount and it's not unlikely that she was agreeing to whatever value she was given by the comparison website in that case too. Customers are also encouraged to shop around for the best insurance for them.

As I mentioned above, vehicle value is a matter of opinion not fact – so it's not necessarily unreasonable to change that factor when looking at different quotations. If Miss S ran multiple quotes, I don't think this is evidence that she gave a deliberately wrong answer to West Bay or did something wrong. Nor do I think it's evidence of Miss S's answer of £36,668 being unreasonable.

Based on the above, I don't think Miss S's answer in relation to the value of her vehicle was unreasonable. And if CIDRA did apply, I wouldn't think she made a qualifying misrepresentation about the value of her vehicle. So, it follows that I don't think it's fair to void the policy or not deal with the claim because of what she submitted as the value of her vehicle either.

How to put things right

Ultimately, although I understand West Bay's concerns around the mistakes Miss S made, I haven't found that she made a qualifying misrepresentation about modifications or the date she bought her vehicle when taking out the policy – or acted unreasonably when letting West Bay know what she thought the value of the vehicle was. Which means I don't think they can take any action under CIDRA or otherwise.

Before Miss S began disputing the valuation, West Bay had the intention to pay her claim. And I've seen they thought a fair market value for the vehicle at the time was £45,388. I've checked the relevant guides and haven't found that this is an unfair amount, so I'll be directing them to pay this amount, less the excess applicable under the policy, plus 8% interest for the time she was without the money.

I've thought carefully about whether to award further compensation for the unreasonable delay in settling the claim. But I think, in the circumstances, the £300 West Bay already paid and the additional 8% interest I'm awarding is enough to put things right.

Responses to my provisional decision

Miss S accepted my provisional decision.

West Bay disagreed and gave a detailed response why. They argued that Miss S's vehicle did have modifications and that she knew about them; CIDRA does apply and Miss S knew the vehicle was worth more; and that, if the complaint remains upheld, they should be paying Miss S a lower amount. I've considered West Bay's points below.

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.

Modifications

West Bay insisted the additional invoice issued by the dealership is proof Miss S's vehicle had the modifications and that she was aware of them.

They said, in summary:

- Miss S provided the additional invoice as evidence of an increased valuation.
- The invoice listed over £11,000 of accessories and modifications.
- Whilst the dealership may have told our Service the invoice wasn't a true reflection of the price, West Bay would have had no reason to question the validity of the invoice.
- The list of modifications on the invoice doesn't mention a branded fuel cap or side steps, so these wouldn't show in the photographs.
- The photograph West Bay has seen doesn't have the vehicle registration or grill, and appears to have been cropped at an angle, so they think their concerns regarding whether the picture is of Miss S's vehicle are valid.
- From an example of the pack of modifications on the advertisement for it, it seems obvious that the standard model has been modified, even to a lay person.

Firstly, I set out in my provisional decision why I'm satisfied the photographs Miss S submitted are of her vehicle. West Bay may not have seen all of the photographs previously, but they did have the chance to ask Miss S for any photographs of her vehicle before declining the claim and voiding the policy. It remains my view that it's likely the photographs are of Miss S's vehicle.

West Bay have said the advert and invoice are from respected sources. But the information on them doesn't match with each other – and doesn't match with what I've seen on the photographs. West Bay is correct that the invoice doesn't mention the branded fuel cap or side steps, but the advert does. And I still don't think the advert or the additional invoice are likely a true reflection of the modifications on Miss S's vehicle.

No matter what modifications there were, I'd still need to be persuaded Miss S was or should have been aware of them. I haven't found there were no modifications, as there may well have been. I'm just not persuaded all the ones listed on the advert, invoice or descriptions of the conversion were added to the vehicle in a way that a reasonable person would recognise as such.

Just the existence of the additional invoice that was created by the manufacturers to pass on to West Bay itself doesn't show Miss S was likely aware of any potential modifications when she took out the policy (other than the heated seats). Although it may have been a mistake to do so, I also don't find it implausible that Miss S forwarded this additional invoice without looking at the details – and this mistake isn't relevant to how a reasonable person should have answered the question about modifications when taking out the policy. In these particular circumstances, I also don't think it's implausible the dealer would send Miss S a list of potential modifications in order to pass these on to West Bay in the first place. Although I'm not commenting on whether the dealership's actions were reasonable, I have seen that they told Miss S different information about the sale to what was mentioned in their internal correspondence. So, just because the dealership issued the invoice, doesn't make it persuasive in the circumstances.

West Bay's further submissions haven't changed my opinion that Miss S didn't make a qualifying misrepresentation when answering the question about modifications. So, I still don't think it's reasonable for them to decline the claim or void the policy based on Miss S's answer about modifications.

Vehicle value

In summary, West Bay said the following in response to my comments about the value in the provisional decision:

- Miss S knew the price she paid so they disagree her answer was a statement of opinion. And it was a fact that she paid more than £50,000 for the vehicle.
- Miss S only bought the vehicle in March 2024 and took the policy out soon after, so she should have put the correct vehicle value in the quote.
- Miss S knew how to change the value when taking out the policy as she obtained a previous quote, reducing the value to £29,000. And she told West Bay the vehicle was worth more than £50,000 when she disputed the valuation.
- CIDRA does apply here, and Miss S made a qualifying misrepresentation.
- West Bay have shown us that had they been aware the vehicle was worth more than £50,000, they would have declined to offer a quote, or cover. And even if the modifications were discounted, the vehicle value still makes the policy unacceptable.

I think that when an insurer asks for the value of a vehicle in the way that West Bay have done, the answer will always be a matter of opinion – not fact. The answer can't be true or false and there are likely to be a range of answers that are reasonably accurate. But either way, I do agree that the answer Miss S gives to the question should be reasonable. Which is why I asked her why she inputted the amount she did. Her answer was that that was the amount pre-populated when taking out the policy. I find this a reasonable explanation and plausible even if she later was unhappy with the valuation of her vehicle when it was stolen. And West Bay haven't shown that this amount wasn't pre-populated (nor the lower amount for the other policy she considered buying), so I find her explanation persuasive in the circumstances. Ultimately, my position on how Miss S answered the question about the value of her vehicle hasn't changed – and I don't think it was fair to decline the claim or void the policy based on this.

Putting things right

West Bay disagreed with what I initially thought was a fair way to put things right in the circumstances. They didn't think they should pay the full increased valuation including the modifications and conversion if they weren't all on the vehicle. They asked if the invoice provided isn't an accurate reflection of the vehicle, why would they be asked to take this amount into account on the valuation.

I had previously thought £44,538 was a fair amount to put things right as it was the amount West Bay were going to pay Miss S before declining the claim and voiding the policy. On reflection, I can understand why West Bay don't want to pay this amount – and had they handled the claim fairly, I don't think they would have. From looking at the engineer's valuation, I can see that they did include £8,524 for the upgrades included in the additional invoice. Although Miss S's vehicle may have included some modifications, I don't think it would be fair to ask West Bay to pay for the value of the modifications if they weren't all included. And since Miss S was unaware of the modifications and we don't have a record of which ones were included, I agree it would be fairer for West Bay to pay for the value of the vehicle without them.

I wrote to both West Bay and Miss S after I received West Bay's comments about my provisional decision. I explained our Service's general approach to motor valuations and why I thought it would be fairer for West Bay to pay Miss S an amount in line with the highest motor trade guide they ran (£39,935). Both parties accepted this would be a fairer outcome, so I don't need explain why in detail again (although West Bay still thought they acted fairly in the first place, which I've commented on above). So, I'll be directing West Bay to pay £39,935 less the policy excess. West Bay also mentioned they already refunded Miss S's premium, and I agree they'd be entitled to deduct any premium refund they've made from the settlement.

West Bay have said they don't think it's fair for them to have to pay interest on this amount. I

disagree. I think if West Bay had handled Miss S's claim promptly and fairly, they would have accepted the claim and paid Miss S a fair market value many months earlier, even if further investigation was necessary. And I think paying interest from one month after West Bay's underwriters were told about Miss S disputing the valuation is reasonable in the circumstances.

My final decision

It's my intention to uphold this complaint and direct West Bay Insurance Plc to pay Miss S:

- £39,085 – which is the highest valuation produced by the guides West Bay ran for Miss S's vehicle minus the £850 policy excess. (They're also entitled to deduct any amount they've already paid her after voiding her policy).
- 8% simple interest on this amount from 9 May 2025, which is one month after West Bay's underwriters were told about Miss S disputing their valuation until the date of the eventual claim settlement*.

*If West Bay thinks that it's required by HM Revenue & Customs to deduct income tax from that interest, they should tell Miss S how much they've taken off. They should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 13 February 2026.

Andrew Wakatsuki-Robinson
Ombudsman