

The complaint

Mr R is complaining West Bay Insurance Plc didn't repair his car after he made a claim on his commercial vehicle insurance policy.

What happened

Mr R's car was hit by a third party's vehicle while parked. He contacted West Bay to claim for the damage to the car. West Bay initially had concerns about whether the car was covered under the policy and asked Mr R to provide evidence of when he bought the car. Mr R provided this and West Bay was then satisfied that the claim was covered. And it said it would settle the claim by paying Mr R the trade value of the car, less the policy's excess of £250. It valued the car at £2,300. Mr R said he wanted to keep the car, so West Bay deducted £661.25 from the settlement, which it said was the car's salvage value. So it said it would settle the claim by paying Mr R £1,388.75, which it did.

Mr R didn't agree with the way West Bay wanted to settle the claim as he wanted it to repair the car and he provided the repair estimate for it to settle. He said he'd shown the car was repairable and he wasn't at fault for the damage. So he maintained West Bay should repair the car. He also returned the amount West Bay paid to settle the claim.

Our investigator didn't uphold the complaint as she thought it was fair for West Bay to pay the trade value of the car as the repair costs were more than the car was worth.

Mr R didn't agree with the investigator, so the complaint's been passed to me to decide.

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've decided to not uphold this complaint and I'll explain why.

I recognise Mr R is unhappy that West Bay wrote the car off because he wasn't at fault for the damage and he's shown the car was repairable. But the terms of the insurance policy set out, like every motor insurance policy on the market, that West Bay has the right to decide whether to repair the car or what it would cost to replace it. But it must exercise this right fairly.

When an insurer writes a car off and settles the claim by paying the car's value, it doesn't necessarily mean the car can't be repaired, but that it's not economical to repair it. And I don't think this is unfair as, by paying the car's value, it enables the policyholder to replace the car with another car of the same age, mileage and specification. This is standard with all motor insurance policies.

The terms of the insurance policy don't change whether the policyholder is at fault for the loss or damage or not. Ultimately, the terms of the policy entitle West Bay to choose the most economical way to settle the claim and, as I said above, it's not unreasonable that it

does as such.

In this case West Bay valued the car at £2,300, but Mr R has said it would cost around £3,800 to fix the car. So it would cost considerably more to repair the car than it's worth. I do not dispute (and neither did West Bay) that the car was repairable. But I can't say West Bay has been unfair in paying the car's value rather than repairing it. And I'm satisfied it's valued the car fairly.

So, while I appreciate Mr R feels strongly that West Bay should have either repaired the car or paid him the amount he's paid to repair it himself, I'm satisfied it's acted fairly in the way it wants to settle the claim.

My final decision

For the reasons I've set out above, it's my final decision that I don't uphold this complaint. Mr R should contact West Bay if he still wants it to settle the claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 December 2023.

Guy Mitchell

Ombudsman