

The complaint

Mr C is unhappy West Bay Insurance Plc (West Bay) won't remove a record it added to its systems and to the Claims Underwriting Exchange (CUE) after he notified it of a claim on his car insurance policy that he later withdrew.

What happened

In July 2022, Mr C notified West Bay his car had been stolen and West Bay opened a claim for him. A few hours later, Mr C withdrew the claim saying his car had been moved by someone he knew without his knowledge.

Earlier this year, after taking out a new car insurance policy, Mr C's new insurer asked him why he hadn't disclosed a previous "*Theft claim*". It said his insurance premium would increase because of it.

When Mr C contacted West Bay about this, it told him the incident from July 2022 was recorded as "*notification of incident only*". It said because Mr C's car was recovered and neither he nor a third party made a claim, his file was settled and his no claims discount was allowed. But West Bay said it wouldn't remove the record of the incident from its systems or CUE (which is the database of motor, home and personal injury incidents that's used by the insurance industry to identify misrepresentation and prevent fraud). West Bay says the incident was a reportable one because Mr C's car was taken without his permission. And it says it was correct for the incident to be recorded on its systems and CUE, even though the claim was later withdrawn

Mr C says he made a mistake, thinking his car had been stolen when it hadn't been, and withdrew his claim within hours. He says he's been unfairly penalised – his insurance premiums having gone up – as a result of the notification of the incident on CUE. So he thinks West Bay should remove it.

The investigator who looked at Mr C's complaint didn't uphold it. She said West Bay had logged the claim on CUE as "*notification only*", which was an accurate reflection of what had happened. Mr C disagrees. He says he doesn't think it's fair a small mistake means his premium has gone up by hundreds of pounds when he didn't even make a claim.

So Mr C's complaint has come 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.

Having done so, I've decided not to uphold Mr C's complaint. While I sympathise with the position Mr C has found himself in, I don't think West Bay has done anything wrong here.

If an insurer is signed up to CUE, it will make a record of any incident it's made aware of, whether or not it eventually leads to a claim. In Mr C's case, he reported his car had been

stolen. That's an incident that would be recordable on CUE and that's what West Bay did. Soon after, Mr C discovered his car had been moved, without his knowledge, by someone he knew. So he contacted West Bay to withdraw the claim. West Bay closed the claim and allowed Mr C's no claims discount as the car had been found.

I haven't seen a screenshot of the record of the incident as it appears on CUE or on West Bay's systems. But both Mr C and West Bay have said it was logged and West Bay has said it was recorded as notification only. That's how I'd expect the incident to be recorded in these circumstances. I don't think West Bay has acted unfairly or unreasonably in recording what happened as a "*notification of incident only*" on its system and on CUE's database.

My final decision

For the reasons I've given, I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 January 2024.

Jane Gallacher
Ombudsman