

The complaint

Mr H complains that Watford Insurance Company Europe Limited recorded another driver's claim against his motor insurance policy. He wants Watford to close the claim and reimburse him for his increased premium.

What happened

Another driver's insurer notified Watford that Mr H had been involved in an incident. Mr H denied involvement and so Watford opened a claim and defended his position. Watford closed the claim after a year due to lack of contact from the other insurer. The other insurer then said it had dashcam evidence and so Watford reopened the claim so it could investigate it and defend Mr H. The footage didn't show that Mr H had been involved. But the claim remained open and Mr H's premium with another insurer increased. Watford said it would close the claim when the other insurer dropped the claim. Mr H was unhappy with this.

Our Investigator didn't recommend that the complaint should be upheld. She thought Watford needed to have an open claim so it could defend Mr H's position. She thought once the claim was closed, Watford would remove records of the claim and Mr H could ask his new insurer to rerate his premium.

Mr H replied that the claim had increased his premium by £1,000 and he wanted this reimbursed. He said he was being penalised for something he wasn't to blame for. And he said this had been going on for two years. Watford replied that the claim had now been closed and removed from external and internal databases.

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 can understand that Mr H feels frustrated that it took over two years for the claim to be closed when he had provided evidence that he wasn't involved in the incident. In the meantime, his new insurer increased his premium and I can understand that Mr H wants this refunded.

When Watford received a claim against Mr H's policy, it was obliged to open a claim and investigate it. I can see that Mr H co-operated with the investigation. And Watford used his evidence to deny his involvement in the incident.

But the other insurer maintained that it had dashcam evidence to show Mr H's involvement. And when Watford received this, it was obliged to reopen the claim so that it could investigate it. This is in keeping with standard industry practice, and so I can't say that Watford did anything wrong in this.

It took some time for the claim to be finally closed. But from what I can see, Watford defended Mr H's position and was waiting for the other insurer's response. I can see that it pressed the other insurer for evidence and responses. So I can't hold it responsible for delays in closing the claim.

Mr H's new insurer increased his premium at renewal due to the open claim. But I can't hold Watford responsible for this either. And now the claim has been closed and removed from Watford's records and the Claims and Underwriting Exchange (CUE) database, Mr H can ask his new insurer to rerate his policy without the claim. This may lead to a refund, but this will depend on the insurer's underwriting criteria and its assessment of Mr H's level of risk.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 31 July 2023.

Phillip Berechree
Ombudsman