

## **The complaint**

Mr Y has complained about his car insurer West Bay Insurance Plc because it hasn't adjusted his premium for 2022 following an accident in 2021 and it, in 2022, closing the claim allowing his no claims bonus.

## **What happened**

In November 2021, just prior to renewal of his policy in December 2021, Mr Y had an accident. He decided not to make a claim himself, but the driver of the other car claimed. The other driver said the accident was Mr Y's fault. Mr Y had dashcam footage which he provided to West Bay. Mr Y felt it didn't handle that footage properly and complained to the Financial Ombudsman Service.

Our investigator, in June 2022, felt West Bay should be doing more to view the footage. Mr Y's complaint subsequently closed with West Bay agreeing to view the footage and pay compensation.

In August 2022, West Bay still hadn't viewed the footage. But it also hadn't heard from the insurer for the other driver for some time. Noting Mr Y hadn't claimed on his policy, West Bay decided to close the claim from the other driver. Also allowing Mr Y his no claims bonus. West Bay indicated that Mr Y's premium for the year could be adjusted. Mr Y began asking West Bay to amend his premium charged in December 2021. But, after a few months, felt like he wasn't getting anywhere. So he made a further complaint to the Financial Ombudsman Service.

In January 2023, West Bay reviewed Mr Y's complaint. It also, following contact from the other insurer, re-opened the claim on Mr Y's policy. West Bay issued a final response to Mr Y. It said it had checked and whilst a return premium of £45.03 had been paid to Mr Y's broker, that was incorrect. It said the correct amended sum was £47.12 – a difference of £2.09. It said it would send Mr Y £10.00.

Mr Y didn't think that made sense. He felt West Bay owed him around £500. He continued his complaint with the Financial Ombudsman Service.

Our Investigator, noting detail West Bay had provided about the refund it had calculated, felt that related to the premium charged for the 2020 policy year. So she didn't think it had considered Mr Y's request in 2022 to adjust the 2021 premium. She said that is what it should do.

West Bay said the sum of £47.12 took into account the 2021 premium. So it wasn't prepared to consider things again. Mr Y said West Bay had asked him to send it the dashcam footage again. Regarding the premium, he asked for an Ombudsman's decision.

I reviewed matters. I felt West Bay should pay Mr Y £100 as a premium reimbursement and £100 compensation for upset. My provisional findings were:

*"I think West Bay has had fair opportunity to consider the price charged and the need for any amendment due – in my view directing West Bay to further consider or calculate what is owed is not fair and reasonable redress.*

*It's quite usual, when an accident first occurs, for it to be recorded as one of fault. That doesn't necessarily mean the policyholder is likely at fault. Rather it's that until liability is agreed, 'fault' is assumed, or sometimes shown as pending. But either way, that is not 'no fault'. Here, with the accident happening so close to Mr Y's renewal, it's understandable that the "pending" nature of liability for the loss was recorded on the policy. It seems likely to me that the claim and liability status were taken into account when the premium was calculated.*

*Later though, in summer 2022, West Bay agreed to treat Mr Y as having not been at fault. At that point the Financial Ombudsman Service would have expected West Bay to recalculate the premium for the year. And I note that West Bay indicated to Mr Y that it would do that. But it just didn't. Mr Y chased West Bay on several occasions before finally feeling he had no choice but to make another complaint. I think West Bay failed him in this respect – that a timely recalculation should have occurred.*

*I note West Bay feels it's amendment and refund of £47.12 equated to it recalculating Mr Y's 2021 premium. I'm not persuaded that is the case.*

*When Mr Y's policy renewed in December 2021, it was at a cost of £765.50. He also paid an arrangement fee to his broker of £75.00. Making the total cost Mr Y paid £840.50. The policy documents show that the claim from November, with liability (or 'fault') pending, was taken into account.*

*In 2020, the year before Mr Y had the accident, Mr Y's premium was £645.74. West Bay's file showed it was a premium of £645.77 that it applied an adjustment to. So I'm satisfied that the adjustment of £47.12, referenced in the January 2023 final response letter, did not answer Mr Y's complaint about the premium he was charged of £765.50 in 2021.*

*That detail though also satisfies me that it's unlikely the premium in 2021 of £765.50 was around £500 more than it would have been based on a confirmed non-fault claim. It seems unlikely to me that the 2021 policy would be less costly than the policy was the year before – even with no claims bonuses being applied, premiums rarely decrease over time. It's fair to think the adjustment – had it been done in 2022 when it should have been, would have netted no more than £75 to £100 to Mr Y in return premiums. I can't be certain of that. But I think it's most likely given West Bay made a smaller adjustment against an earlier period of cover, subject to a lower premium, and which it told us was made in respect of a previous claim record.*

*I also think it's fair to say that, had West Bay completed a timely adjustment in summer 2022, when the claim re-opened again in December 2022, it's unlikely it would then have sought to try and reclaim the adjusted amount from Mr Y. I think – especially in light of Mr Y having made a previous complaint about the claim – it would have taken a pragmatic view and allowed him to keep that small sum. Which means West Bay's poor handling of this matter has caused Mr Y a financial loss. I think it's fair to require it to put that right by paying Mr Y £100 – this being what I feel is a fair sum taking the likely adjusted amount as having fallen somewhere below £100 and allowing for some interest to be applied.*

*I can see that Mr Y spent a lot of time trying, without success, to get West Bay to adjust the premium. I can see he was caused a lot of frustration. I think West Bay should also pay Mr Y £100 compensation for distress and inconvenience.*

*I'm mindful of the outcome of the previous complaint to our service. And that when West Bay issued its final response on this complaint, it had just reopened the claim. As far as I'm aware, to date West Bay hasn't provided any update to Mr Y about the claim, its likely outcome or what its view on the dashcam footage is and how that affects the claim. I'm going to add a direction here requiring West Bay to update Mr Y. If Mr Y is unhappy with what it says in that respect or more generally with how the liability issue has progressed, he can make a further complaint."*

Mr Y didn't object to my findings. West Bay said it shouldn't have to pay £100 as a premium reimbursement because it had calculated what was owed previously and already paid Mr Y £45.00 in that respect, where the correct sum should have been £47.12. It said recalculating things now meant it was confident the difference would have been £55.00, meaning it reasonably only owes Mr Y £10.00, plus interest. But it said it would agree to the compensation award and provide a claim update to Mr Y.

### **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 note West Bay has agreed the compensation award. It has also said it will update Mr Y regarding the claim. I certainly hope it follows up on that promise.

I note that in West Bay's reply it is still saying it previously recalculated the 2021 premium. I note its current assessment of costs takes that as read. But as I noted provisionally, West Bay's file shows that the previous adjustment applied of £47.12 was calculated against the 2020 premium. There's no sign that the adjusted sums relate to the 2021 premium. Whilst I've noted that West Bay feels it's reasonable for it to just pay Mr Y a further £10.00 plus interest, I remain satisfied by my assessment set out provisionally.

Having considered the objection from West Bay, my views on the complaint have not changed. My provisional findings, along with my comments here, are now the findings of this my final decision.

### **Putting things right**

I require West Bay to pay Mr Y:

- £100 as a likely premium adjustment, including interest, he would have had the benefit of if, in summer 2022, it had properly recalculated the 2021 premium.
- £100 as compensation for distress and inconvenience.

I also require West Bay to update Mr Y on the claim from the other party regarding Mr Y's liability for the accident.

### **My final decision**

I uphold this complaint. I require West Bay Insurance Plc to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 1 December 2023.

Fiona Robinson  
**Ombudsman**