

The complaint

Mr C complains West Bay Insurance Plc unfairly settled a claim by a third-party against his motor insurance policy.

References to West Bay include its agents.

What happened

The details of this complaint are well known to both parties, so I won't repeat them here. Instead, I will focus on the reasons for my decision.

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.

Mr C had a motor insurance policy with West Bay. In April 2022 West Bay was contacted by a third-party insurer about a claim against Mr C. Mr C says he wasn't in the alleged incident and complains it was wrong for West Bay to settle the claim in favour of the third-party.

West Bay says it had no choice but to settle the claim. It says the matter proceeded to court and without evidence from Mr C – which it had asked him for several times but not received – there was no reasonable prospect of successfully defending the claim.

Mr C's policy says "[West Bay] *shall be entitled to take over and conduct the defence or settlement of any claim or prosecute any claim in the name of any person covered by this insurance.*" So, I'm satisfied Mr C's contract with West Bay allowed it to settle a claim. What I must decide is whether it acted fairly and reasonably in doing so here.

I can see West Bay wrote to Mr C in April 2022 and November 2022 saying the following:

"Given that you have informed us that you were not involved in the incident we require the following information in order to continue with the defence of your claim:

- *A written and signed statement from yourself stating:*
 - *Your whereabouts on the date of the incident.*
 - *Where your vehicle was located on the date in question.*
 - *Where your keys and any spare keys were being kept on the date in question.*
- *Copies of any documentation or witness statements that verify your location.*
- *Current photos of your vehicle showing there is no damage.*

We appreciate that some of this information may already have been provided verbally; however, it is crucial that we receive this information in a written and signed format.

If we do not hear from you within the next 7 days, we shall proceed to settle the claim on the best possible terms."

Mr C has suggested he didn't receive any letters from West Bay, but I'm not persuaded that's the case. The letters were correctly addressed and it's unusual for post to go missing. In any case, given Mr C called West Bay to discuss matters shortly after each letter, and at other times, I'm satisfied he was sufficiently aware of the need to act, and that something more than verbal testimony was required.

While Mr C told West Bay he wasn't involved in the alleged incident, I haven't seen anything to persuade me he provided any written submissions which West Bay could use in court. Ultimately, when the matter progressed through the courts, West Bay had to decide whether to attempt a defence or settle. It decided to settle, in line with legal advice it received. I find this was fair and reasonable in the circumstances.

I'm aware Mr C has since provided some evidence to the Investigator, in the form of photographs on social media. He has also indicated he was with others on the day of the alleged incident and could obtain witness statements. This, however, is all too late because the claim has already been settled.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 October 2023.

James Langford
Ombudsman