

The complaint

Mr A's complained that Tradewise Insurance Company Limited unfairly turned down a claim on his motor trade insurance policy.

What happened

Mr A claimed on his policy after being involved in an accident. When discussing the value of his car with an engineer, Mr A said his car was a higher specification. Tradewise said Mr A said the car had alloys, tinted windows and the exhaust had been changed at some point.

Tradewise turned down Mr A's claim. It said the car had been modified and the policy didn't cover modified vehicles. Mr A didn't think this was fair and brought his complaint to us. He said the parts were from the car's manufacturer. He said he hadn't made any changes to the car and didn't think he had to declare them as he thought they were factory fitted. He said the engineer hadn't noticed the modifications which supported his position that he hadn't noticed them either.

Our investigator thought Tradewise had acted fairly in turning down Mr A's claim in line with the terms and conditions of the policy. Mr A remained unhappy as he thought his claim should be paid. He asked for an ombudsman's 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.

The terms and conditions of Mr A's policy say that Tradewise won't cover any damage if a vehicle's been modified. That means I need to consider whether it's most likely Mr A's car has been modified and whether Tradewise has applied the term in a fair and reasonable way.

The engineer's report says that the known modifications on the car are the tinted windows and alloys and exhaust designed for a different model of car. Mr A said he thought these were factory fitted, but Tradewise's engineer said Mr A told him the exhaust had been changed. I think it's unlikely he would have said that if he thought that was done in the factory. The engineer also said that Mr A accepted the windows may have been tinted at a later date too. Although Mr A later said the windows were also tinted in the factory.

I appreciate Tradewise's engineer might not have initially noticed that Mr A's car was modified, but he has listed these as modifications on his report. And I haven't seen enough from Mr A to persuade me these are standard, factory fitted parts, for this model of car.

I understand Mr A bought the car with the modifications already completed. But the policy doesn't cover cars that have been modified. And as I'm satisfied his car's been modified, I'm not going to interfere with Tradewise's decision to turn down his claim.

My final decision

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 A to accept or reject my decision before 27 March 2020.

Sarann Taylor
Ombudsman