

The complaint

A, a limited company, complains that Tradex Insurance Company limited declined a claim made on its commercial motor insurance policy. This complaint is brought on A's behalf by Mr A, its director. He wants the claim paid in full.

What happened

Mr A was driving his son's car when he had an accident. He made a claim to Tradex as he thought he was covered to drive any car under his motor trade policy. But Tradex declined the claim as it said the car wasn't personally owned by Mr A.

Our investigator didn't recommend that the complaint should be upheld. She thought Mr A's policy didn't allow him to drive cars other than those he personally owned or that were connected to his motor trade business.

Mr A replied that he transferred money to his son each month to pay the finance of the car. He said he needed to be able to drive any car in his possession. He said the car was on his policy. He asked for his complaint to be reviewed by an ombudsman, so it's come to me for a final 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 A was driving a car where his son was the car's owner and registered keeper and the finance was in his son's name. Tradex said it declined his claim for accidental damage as there was no evidence that the car was personally owned by Mr A. It said there was no evidence that Mr A had bought the car.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

I can see that A's policy covers vehicles that are personally owned by Mr A and declared for inclusion on the Motor Insurance Database (MID). "Personally owned" is defined as

"A vehicle personally registered, leased or hired under a hire purchase agreement to the policyholder vehicle(s) or to an employee, director or partner of the business or a spouse and specifically insured by this policy."

The car in question was declared on A's policy for inclusion on MID. But it wasn't personally owned by Mr A as his son was the car's owner and registered keeper. This was shown by the V5 registration document. And the finance was in his name.

Mr A has shown evidence that he makes a transfer to his son each month of an amount to cover the finance repayments for the car. But this doesn't change the fact that the financial agreement was in his son's name. I've not seen that Mr A provided Tradex with proof of his

purchase of the car. So I think Tradex reasonably concluded that the car wasn't personally owned by Mr A.

I've also looked at A's policy and I can see that Mr A isn't covered for driving other vehicles, but he is covered for driving personally owned vehicles. Mr A's son isn't covered for either of these categories. He's also excluded from driving cars with the engine size of the car he owned. So I think Tradex reasonably concluded that he wouldn't be covered on the policy for this car.

Mr A said he was covered for driving cars in connection with his motor trade business. I agree that the policy covers cars being driven in connection with the declared motor trade business. But I haven't seen any evidence that Mr A was driving the car for this purpose. When he notified the claim, he said he was using the car for social, domestic or personal reasons.

Mr A said he was mis-sold the policy as he wanted to be able to drive any car. But I think this is a complaint about his broker's sale of the policy, not about his claim. So I can't look at this here. I think A should first complain to its broker if it thinks the policy was mis-sold.

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 A to accept or reject my decision before 16 November 2020.

Phillip Berechree
Ombudsman