

The complaint

Mr B has complained about Ageas Insurance Limited's decision to reject a claim a named driver made under his motor trade policy.

What happened

In July 2020 Mr P, a named driver under Mr B's policy was involved in an incident with another vehicle. Mr P was using trade plates at the time of the incident.

Ageas rejected the claim as it said trade plates could not be loaned or borrowed. It said Mr P did not have the same entitlement under the policy as Mr B. It said the trade plates owned by Mr P were insured by a separate insurer. Ageas said it therefore had no insurable interest in the vehicle.

Mr B complained. He said Ageas didn't explain that there was a separation of entitlement between him and his business partner Mr P. He understood from the policy that both drivers had the same level of cover under the policy with Ageas.

Ageas didn't uphold Mr B's complaint. So Mr B asked us to look at things for him.

Our Investigator didn't think Ageas had acted unreasonably or outside the policy terms.

Mr B didn't agree and asked for an ombudsman to decide. I issued a provisional decision on 7 July 2022. I thought Ageas hadn't shown that its decision to reject Mr P's claim was fair or in line with the policy. So I intended to uphold Mr B's complaint and ask Ageas to deal with his claim. I invited both parties to provide any new information before I made a final decision.

I haven't received a reply from Mr B or Ageas. So the case has been passed back to me to decide.

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.

As I haven't received any new information, my final decision has the same outcome as my provisional decision.

The policy schedule provided by Ageas shows the drivers under the policy as Mr B and Mr P. I cannot see where it draws a distinction between the level of cover provided under the policy for each driver. So I'm unable to see a separation of entitlement. The policy covers Mr B and Mr P for any car owned or leased under his custody and control.

I cannot see an explanation or an exclusion for cover for Mr P under the policy in relation to trade plates. I think if Ageas is to rely on such an exclusion, it should be clearly explained under the policy wording.

I think there was an insurable interest for Ageas in the vehicle involved in the incident. And so based on the information available to me, I don't think Ageas' decision to reject the claim is fair or reasonable. So I'm upholding this complaint.

Putting things right

Ageas should deal with the claim under the remaining terms and conditions. If the claim resulted in a total loss, I think Ageas should pay interest on the settlement minus any applicable excess at a rate of 8% simple interest a year from the date of the claim to the date it pays Mr B.

My final decision

My final decision is that I uphold this complaint. I require Ageas Insurance Limited to do the following:

- Deal with Mr P's claim under the remaining terms and conditions of Mr B's policy.
- If the claim is settled as a total loss, Ageas should pay interest on the settlement sum at a rate of 8% simple interest a year from the date of the claim to the date it pays Mr B minus any applicable excess or balance premium owed under the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 September 2022.

Geraldine Newbold
Ombudsman