

The complaint

Mr P complains that Berkshire Hathaway International Insurance Ltd haven't paid enough to settle his claim for the loss of his recovery truck under his commercial vehicle insurance policy.

What happened

Mr P's recovery truck was stolen. At the time of the theft it also had a client's car loaded onto it. Mr P put in a claim for his stolen recovery truck and his client's car. Berkshire Hathaway accepted the claim for the recovery truck but said Mr P's policy didn't cover his customer's car for theft. Berkshire Hathaway initially offered Mr P around £4,500 for his recovery truck.

Mr P didn't think this was enough and complained. He also said Berkshire Hathaway had taken too long to deal with his claim. Berkshire Hathaway reviewed the complaint and maintained their offer of around £4,500; they also confirmed the policy didn't cover the theft of Mr P's client's car. However, Berkshire Hathaway did acknowledge there had been delays in dealing with the claim and offered £100 compensation. Mr P didn't think this was good enough.

Berkshire Hathaway then revised its valuation of Mr P's recovery truck and offered him £6,375 minus the policy excess. Mr P still didn't think this was enough and referred his complaint here. He said he'd been unable to work due to the delay in dealing with his claim and had lost earnings because of it.

Our investigator looked into the complaint and recommended it be upheld. He found that the policy didn't cover the client's car for theft when on the back of Mr P's recovery truck. He also found that Berkshire Hathaway's offer seemed fair and reasonable but didn't think enough had been done to compensate Mr P for the delays. Our investigator recommended Berkshire Hathaway compensate Mr P for ten weeks loss of earnings.

Berkshire Hathaway accepted our investigator's recommendation and requested proof of earnings, in particular bank statements and/or tax return. Mr P provided bank statements to show his loss of earnings, but Berkshire Hathaway and our investigator didn't think there was enough evidence Mr P's loss of earnings. Mr P disagreed and said the bank statements were sufficient.

As Mr P didn't agree with our investigator's opinion the complaint has come 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.

Mr P has a Motor Trade Road Risks policy. The policy says in the event of loss or damage Berkshire Hathaway will pay Mr P an amount not exceeding the Trade Market Value of his recovery truck. The policy doesn't define Trade Market Value, however it is widely known in the industry that this refers to the "trade price" which is the amount it would cost someone in

the motor industry to replace their vehicle. This value is generally lower than the retail market value as those in the motor trade are able to buy and sell vehicles at auctions only available to those in the motor trade.

Our service doesn't value recovery trucks. Instead we check to see that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. To do this we tend to use relevant trade guides. I usually find these persuasive as they're based on nationwide research of sales prices.

Berkshire Hathaway valued Mr P's recovery truck at £6,375, minus the policy excess. I've checked the motor trade guides we have access to, and they all gave a valuation lower than £6,375. I understand Mr P has said it would cost more to replace his vehicle and provided links to some adverts. However, I find the relevant guides more persuasive in this case as they're based on a wide range of research of similar vehicles to Mr P's. And as Berkshire Hathaway have offered more than the value in the motor trade guides, I'm satisfied they've acted fairly and reasonably in valuing Mr P's recovery truck.

I've also considered whether Berkshire Hathaway acted fairly by turning down the claim for the car on the back of Mr P's recovery truck when it was stolen. The exclusion in Mr P's policy which Berkshire Hathaway has relied upon says they will not be liable for:

"18. Loss or damage to any **Insured Vehicle** whilst being towed, lifted or transported by the **Insured** or by any person named in the **Schedule** or **Certificate of Insurance**."

I've considered this exclusion and as the client's car was on the back of Mr P's recovery truck at the time of the theft, I'm satisfied Berkshire Hathaway have acted fairly and reasonably in not paying for it as the policy specifically excludes cover for the car while being transported by Mr P.

I've also considered the delays in dealing with Mr P's claim. It's disappointing to see delays which in total came to around ten weeks. It's particularly disappointing when the claim has an impact on someone's ability to make an income for themselves. However, Berkshire Hathaway have agreed to cover Mr P's lost income for the ten weeks delay and has requested Mr P's tax return to enable them to calculate ten weeks lost income.

Mr P has provided his bank statements and says that should be sufficient. And while it may be possible to calculate someone's earnings from their bank statements, I'm not satisfied Berkshire Hathaway have acted unreasonably by asking for Mr P's tax return. I say that because the bank statements show entries for "faster payments" into Mr P's bank account and it's not clear what these payments are for. I'm therefore not persuaded Berkshire Hathaway are acting unreasonably by asking for a copy of Mr P's tax return. I'm therefore not going to tell them to do anything else.

My final decision

For the reasons explained above I partially uphold this complaint. I require Berkshire Hathaway International Insurance Ltd to pay Mr P £6,375, minus the policy excess, for his recovery truck, if not already done so. I also require Berkshire Hathaway International Insurance Ltd to pay Mr P ten weeks loss of earnings, subject to Mr P providing his tax returns.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 November 2022.

Alex Newman
Ombudsman