

The complaint

Mr M complains that Travelers Insurance Company Limited (“Travelers”) mishandled a claim on his motor trade insurance policy.

What happened

Mr M is a sole trader who runs a vehicle repair business. From about 2018, Mr M’s son helped in the business. Mr M used a broker to arrange a motor trade policy with Travelers. Mr M added his son as a driver who the policy covered.

On about 21 May 2024, Mr M or his son bought a car. Mr M’s son became the registered keeper of the car.

Unfortunately, Mr M reported that on 28 May 2024, his son had been driving the car when it was involved in an incident with a third party’s vehicle.

On about 8 August 2024, Travelers declined Mr M’s claim, saying that:

‘the vehicle that the driver was driving was not registered in the Named insured but in the name of [Mr M’s son] and no satisfactory evidence was provided to demonstrate that the vehicle is an asset of the business.’

By mid-August 2024, Mr M or the broker on his behalf had complained to Travelers that it should meet the claim.

By a final response dated 4 September 2024, Travelers turned down the complaint.

Mr M brought the complaint to us in late September 2024. He added that Travelers had paid the third party’s claim– and asked his son to reimburse that outlay.

Our investigator didn’t recommend that the complaint should be upheld. Without more proof, she didn’t think that the insurer had been unreasonable to decline the claim.

Mr M disagreed with the investigator’s opinion. He asked for an ombudsman to review the complaint. The broker said the following:

*“The client is resigned to have to pay for the claim himself, however he still feels that Travelers should be responsible to pay.
So on that basis, he has nothing to lose, so we may as well refer this to an ombudsman 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.

Businesses are obliged to keep business records for tax purposes. That includes receipts and bank statements, for example. In addition, policyholders are obliged to provide evidence in support of claims.

Mr M provided a contract of employment of his son dated 2018. He also provided a statement from the person who sold the car in May 2024.

However, Travelers asked for evidence of payment for the car. Travelers also asked for evidence of payment of wages to Mr M's son.

Mr M didn't provide any bank statements or other financial records of his business. So I don't find that Travelers treated Mr M unfairly by declining the claim on the grounds that there wasn't enough evidence that the car had been an asset of Mr M's business.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Travelers Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 March 2025.

Christopher Gilbert

Ombudsman