

The complaint

Mr W complains about the response to, and settlement offered following a claim he made on his motorhome insurance policy with Tradex Insurance Company Plc ('Tradex').

Much of Mr W's unhappiness relates to the actions of Tradex's appointed agents. As Tradex have accepted responsibility for their agents' actions, in my decision, any reference to Tradex should be interpreted as also covering the actions of their agents.

What happened

The background to this complaint is well known to Mr W and Tradex. Rather than repeat in detail what's already known to both parties, in my decision I'll focus mainly on giving the reasons for reaching the outcome that I have.

Following a flood, Mr W had a claim for damage to his motorhome accepted. He raised a complaint as he was unhappy with Tradex's response to the claim, the service provided, excess charged and settlement offered. The complaint was partially upheld.

Mr W remained unhappy and referred the complaint to our Service for an independent review. Our Investigator considered the complaint and recommended that it be partially upheld. As Mr W didn't accept the recommendations, the complaint was then referred to me for a decision. I recently sent both parties a copy of my provisional decision. As the deadline for responses has now passed, I've considered the complaint 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

I'm sorry to hear of the damage to Mr W's motorhome and the impact this has had on his life. I'm also very sorry to hear of the recent bereavements in Mr W's family.

Responses to my provisional decision

Tradex accepted the decision. Mr W didn't and he raised a number of points about why the proposed direction was unfair - but none of these materially impact the decision I'd intended to reach. As previously explained, the policy excess here was £2,000 and as Mr W wanted to retain the motorhome, Tradex can fairly deduct a salvage value. Therefore, I find no fair or reasonable reason to deviate from my previously set out findings.

The scope of my decision

In my decision I'll focus largely on the issues that remain in dispute. Mr W has now been reimbursed for his recovery costs, so I consider that part of the dispute resolved.

A large part of Mr W's remaining unhappiness stems from what he feels is an unfair policy excess. In this decision, I will only consider whether the excess relevant is in line with the contract of insurance/policy terms. The issue of what Mr W was told by his broker (who were not acting as an agent of Tradex) and their actions will be considered under a separate complaint that's with our Service. I also won't be addressing the CCJ Mr W has told us he's had recorded against him.

My key findings

- I'm satisfied that Tradex reached their position regarding the motor home being a total loss fairly, following the second inspection. I say this because Tradex acted reasonably when relying on their expert's opinion and associated evidence.
- Mr W has referred to having an agreed value policy. The evidence shows his broker provided him with the option to take this out (subject to providing supporting images) at an additional cost, but he didn't avail of that option. Therefore, indemnity here defaults to market value, where a repair or replacement weren't being offered – as per the policy terms.
- Mr W queried whether a motorhome in the USA was still available, but Tradex have recently told our Service they wouldn't offer a replacement vehicle and I find that fair.
- Tradex initially offered £6,500 as the value of the motor home. Given the age and model of this motor home, industry valuation guides weren't useful when reaching a valuation. I find the first offer didn't go far enough to fairly indemnify Mr W. I'm satisfied that the UK based advert (£9,775) which both parties have now seen is the most persuasive evidence provided. Mr W has had a fair opportunity to present counter evidence that would undermine the increased valuation, but he hasn't done so.
- The relevant policy excess here is £2,000. This is fair and in line with the terms of the insurance contract. Mr W has provided evidence that he may have had another policy in place with another insurer to protect his excess. As explained by our Investigator, Mr W would need to explore a potential claim under that policy separate to this complaint and decision. Mr W can also speak to his broker about making any such claim.
- Tradex have recently explained that if Mr W wished to retain the salvage, they'd make a deduction of £2,350 from the higher valuation amount. This is a more favourable figure for Mr W than the previous figure referred to in my provisional decision. Although Mr W disputes the salvage deduction, on balance, I'm satisfied this is broadly in line with wider industry salvage deduction percentages.
- Whilst the complaint was with our Service, pending the completion of our Investigation, Tradex offered to make an interim payment to Mr W. This was positive. I will be directing Tradex to increase this settlement offer to reflect the higher valuation and the updated salvage deduction.
- However, Tradex have been unable to sufficiently demonstrate with sufficiently persuasive supporting evidence that they made Mr W aware that he could accept an interim payment pending our Service's involvement. In their recent email, they refer to Mr W being offered the payment in February 2024 and specifically to a call dated 3 April 2024. But having listened to that call, it doesn't support that Mr W was made aware that he could receive an interim payment. Our Investigator asked Tradex

about making an interim payment on 7 March 2025 and they agreed on 12 March 2025 - but Mr W didn't agree to receive it.

I find a total payment of £300 for avoidable distress and inconvenience caused by the actions of Tradex is fair, reasonable and proportionate. It's also broadly in line with our Service's published guidelines on these types of awards.

Putting things right

Tradex Insurance Company PLC need to:

- Increase their valuation figure/offer to £9,775.
- From this figure, they can fairly deduct the policy excess (£2,000) and the lower salvage deduction (£2,350) should Mr W wish to retain the salvage.
 - This results in a total settlement of £5,425*.
 - As per our Service's standard approach, 8% simple interest ** per annum should be added to this settlement figure. But this will need to be calculated differently, based on the initial offer and the higher settlement I'm directing Tradex to make.

On the original offer (£2,355), 8% simple interest ** is to be calculated from one month after the claim was made until the date of 12 March 2025. This is because that's the date when Mr W was given the option of receiving an interim payment.

Tradex will also need to calculate 8% simple interest ** per annum on the figure of £3,070 (new settlement minus the original offer), from one month after the claim was made until the date claim settlement is made to Mr W. This is to reflect the difference between the higher settlement that ought to have been offered initially and the lower settlement that was offered.

- Pay Mr W a total of £300 compensation in recognition of their service failings. Any amounts already paid can be deducted from this amount.

*Tradex can deduct from this settlement any interim settlement already paid. But it appears that none has been paid.

**If Tradex considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr W how much it's taken off. It should also give Mr W a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

My final decision is that I uphold this complaint. I direct Tradex Insurance Company PLC to follow my direction as set out under the heading '*Putting things right*'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 29 May 2025.

Daniel O'Shea
Ombudsman