

The complaint

Mrs G has complained about Tradex Insurance Company PLC's decision to turn her claim down under her car insurance policy, following damage to her car. And about the way it handled the claim.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. The facts are not in dispute so I will focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- Mrs G's policy covers accidental damage to her car. This would include damage caused by water getting into the steering mechanism when the car was driven through standing water. And I'm satisfied this is what Mrs G has demonstrated happened to her car. I say this because it is not in dispute that Mr G drove her car through standing water and then had a problem with the steering. And the garage who repaired her car said it found water in the steering mechanism and that the mechanism needed replacing. This means Mrs G has established she has a valid claim in the first instance. And it is for Tradex to demonstrate an exclusion applies to defeat the claim. And I don't consider it has done this.
- Tradex has provided links to online forums that suggest that steering racks on cars like Mrs G's have failed. But these are individual issues. And Tradex hasn't provided anything that shows the manufacturer accepts that it is a known fault.
- Tradex only latterly suggested the seals on Mrs G's steering mechanism might have failed due to wear and tear. But it hasn't provided any meaningful evidence to show this is what happened or that Mrs G could have known this was an issue. So, I do not consider this is enough to support its more recent view that the damage to Mrs G's car was caused by wear and tear.
- I also agree the claim was badly handled by Tradex and this caused Mrs G distress and inconvenience. This is partly because of delays and poor communication. But I think the compensation Tradex has already paid covers this. But the incorrect rejection of Mrs G's claim also caused her distress and inconvenience, as she was clearly very upset about having to get her car repaired and pay for it. And she would have been without her car for at least some time due to Tradex's unfair decision to reject her claim. And I think a further £250 in compensation for this is fair and reasonable.

Putting things right

For the reasons set out above, I've decided to uphold Mrs G's complaint and make Tradex do the following:

- Settle Mrs G's claim under her policy by paying what she paid to have her car repaired less any policy excess. It must also add interest to this amount at 8% per annum simple from the date Mrs G paid for the repairs to the date of payment. This is to compensate Mrs G for being without these funds.
- Pay Mrs G a further £250 in compensation for distress and inconvenience.*

* Tradex must pay the compensation within 28 days of the date we tell it Mrs G accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

My final decision

I uphold Mrs G's complaint and order Tradex Insurance Company PLC to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 28 July 2025.

Robert Short
Ombudsman