

The complaint

F has complained about Tradex Insurance Company PLC's decision to turn down its claim for storage charges as part of a claim under its motor trade insurance policy and its decision to declare its policy void. It has done this on the basis the claim is fraudulent.

Any reference to Tradex includes its agents.

F is represented by Mr T.

What happened

F made a claim for fire damage to vehicles insured under the policy in 2019. It told Tradex in October 2019 that it also wanted to claim for storage charges for the damaged vehicles. Tradex told F it wouldn't be paying the storage charges on the basis it had declined the claim for the damaged vehicles. After a lengthy investigation, Tradex finally agreed to settle F's claim for the damaged vehicles in December 2022. There was then some communications around the settlement. In January 2024 F presented a claim for the amount due for the storage of the damaged vehicles with a company I'll refer to as H, along with the invoices relating to this. It asked it to settle the invoices in full. F followed this up with an email in February 2024 in which it asked for immediate payment of the amount due for storage to its bank account.

Tradex investigated the claim F had made for storage. F complained about the delay in Tradex paying the storage charges at the beginning of April 2024. Tradex issued a final response on 11 April 2024 in which it said it was satisfied it was entitled to carry out investigations to validate the claim.

Tradex then wrote to F in September 2024 turning down the claim on the basis it was fraudulent. In doing so it relied on what it said was the fraud condition in F's policy, which read as follows:

4. Fraud

If you, anyone acting on your behalf or any other insured person makes a claim which is in any way fraudulent. We

- a) will not pay the claim*
- b) will seek to recover from you any costs we have incurred*
- c) may treat the policy as void from the time of the fraudulent act*
- d) will retain any premiums paid by you*
- e) may tell the police.*

Fraud may include:

- i) statements which are deliberately false, intentionally inflated or exaggerated*
- ii) documents given to us which are false, forged or stolen*
- iii) claim details and/or information given to us which is inaccurate, falsified, misrepresented*

or has been withheld
iv) wilfully causing loss, damage or injury.

Tradex listed six reasons why it considered F's claim to be fraudulent. Tradex also declared F's policy void from the date of the claim for storage charges, although it did not say what date it considered the claim to have been made.

F complained to Tradex about its decision on the claim for storage charges and about its decision to declare the policy void. Tradex rejected F's complaint. So, F asked us to consider it.

One of our investigators considered F's complaint. She said there had been a delay in Tradex dealing with F's claim for storage charges and that it should pay £200 in compensation for the inconvenience this caused to F. She then listed the six reasons Tradex had given for its view F's claim was fraudulent. And then said she thought that, based on these, she felt Tradex had done enough to show F had tried to obtain money which it wasn't entitled to. So she didn't think Tradex needed to pay F's claim for storage charges.

Tradex accepted the investigator's view. F did not. Mr T, on F's behalf, made further representations, which I do not think I need to set out in detail. In essence, he was concerned that the investigator had focused mainly on the delay on Tradex's part in dealing with F's claim for storage charges and not on the full sequence of events leading to its declinature of the claim. And he provided his specific comments on the six reasons given by Tradex for concluding F's claim for storage charges was fraudulent.

I issued a provisional decision on 24 April 2025 in which I set out why I didn't consider Tradex had proved F's claim for storage charges was fraudulent. And I said that I intended to require Tradex to carry out further investigations into whether F's claim for storage charges is fraudulent and then reconsider it in light of these. And that, if it didn't do this, it would need to consider it in accordance with the remaining terms of F's policy.

I gave both parties until 8 May 2025 to provide further comments and evidence in response to my provisional decision.

Tradex has responded to say that it accepts my provisional decision.

Mr T has responded on behalf of F. He's said my provisional decision appears to be factually correct apart from one point. This is that the property where the damaged cars belonging to F were stored does not belong to Ms A. It belongs to someone who I will refer to as Mr H, who is an acquaintance of Mr T's.

Mr T has also provided comments around the relationships between him, Ms A and Mr H and the storage arrangement. He's also pointed out that the fraud condition Tradex quoted in its letter rejecting F's claim is from a policy wording that came into force after F made its claim for damage to the insured vehicles. And he has provided a copy of the policy wording that he has said applied at the time it made its claim in June 2019. The 'fraud' condition in this policy wording is different to the one that Tradex quoted when it rejected F's claim for storage charges.

Mr T has said he would welcome my comments on the information he has provided before I issue my 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.

I've noted Mr T's comments and that he would welcome my comments before I make my final decision. But – because Tradex has accepted my provisional decision – I see no reason to provide Mr T with my comments prior to issuing my final decision. I have however passed on his comments and all the documentation he has provided to Tradex for it to consider as part of any further investigations it carries out. I should however say that I accept that the property where the damaged vehicles was stored belonged to Mr H and not Ms A.

It does appear that the fraud condition Tradex quoted in its letter rejecting F's claim for storage costs is in a later version of the policy document than the one in the policy document that applied when F made its original claim. However, to all intents and purposes the condition has the same effect and it would entitle Tradex to reject F's claim and declare its policy void if it could prove its claim for storage charges was fraudulent.

Putting things right

For the reasons set out in my provisional decision, I've decided to uphold F's complaint and require Tradex to carry out further investigations into whether F's claim for storage charges is fraudulent and then reconsider it in light of these investigations.

If Tradex chooses not to do this, it must instead consider F's claim for storage charges in accordance with the remaining terms of its policy. And it must remove any record of the policy being declared void from its record and any databases it recorded this on.

My final decision

I uphold F's complaint about Tradex Insurance Company PLC and require it 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 F to accept or reject my decision before 5 June 2025.

Robert Short
Ombudsman