

The complaint

Mr S complains about how Tradex Insurance Company PLC settled a claim he made on his motor trade policy.

What happened

Mr S holds a motor trade policy with Tradex. That policy insures him for a number of vehicles, including his personal ones.

Two of Mr S's personal vehicles were set on fire. He called to make a claim for the damage caused to each of them.

Tradex accepted the claim but said it thought it was one incident. It therefore dealt with the damage to both vehicles as one claim and applied the £10,000 limit set out in the policy. It said this limit applied to any vehicle *or* claim. And because it considered this one claim, it said £10,000 was the most it needed to pay.

Mr S didn't think this was fair. He thought each fire on each vehicle should be treated separately and therefore the £10,000 should be applied to each vehicle – because each vehicle should have its own claim.

Tradex didn't agree or change its stance, so Mr S brought his complaint here.

Our Investigator recommended it be upheld. He thought it was fairer to treat the two fires on the two vehicles as two separate claims. So, he recommended Tradex do this. He said Tradex could apply an excess to each claim. He said not doing so has caused Mr S inconvenience, so for that, our Investigator recommended Tradex pay Mr S £200.

Tradex disagreed and asked for an Ombudsman's 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'm upholding it.

Mr S's policy says the indemnity limits *"are the maximum we will pay for any one vehicle or claim..."*.

There's no dispute about what that limit is - £10,000.

The dispute centres around Tradex's application of that limit

Tradex thinks the fires reported to Mr S's vehicles should be treated as one incident and one claim. It says the fires were started at the same time by the same people.

Mr S on the other hand thinks the fires should be treated as two claims. He says each

vehicle was set alight itself. He says there were two perpetrators and thinks it's fairer to therefore treat each fire as a separate incident and therefore consider each fire as its own claim.

I can see both sides point of view here.

Clearly the way the term is written indicates that it's possible for there to be more than one claim per vehicle and that there can be more than one vehicle per claim. But what I need to determine is, "Is it fair that Tradex treat this as one claim? Or is it fairer to treat it as two?"

The policy defines "Claim" as "*A claim or series of claims arising out of one incident or event.*". This isn't overly helpful, but what I think it does indicate is that more than one claim can arise out of one incident.

Incident isn't defined in the policy.

From everything I've seen, I'm satisfied, like our Investigator was, that it's fairer to treat what's happened here as two claims. The version of events isn't disputed. And from that I think that yes, this all happened on the same night, at roughly the same time. And it seems more likely than not that the cars were set on fire by the same people.

But it seems like each car was set on fire separately, deliberately. As opposed to say a fire on one causing the other to catch alight too. So I think it's fairer to deem this as two separate incidents.

But, even if I were to say this was one incident, the policy clearly provides provision for more than one claim to arise from one incident.

The policy isn't clear what happens in situations like this – where multiple vehicles are vandalised by the same perpetrators on the same night. As set out above, I can see the merit in both parties' stances.

But, where the policy is unclear, I think it's fairer to side with the party that didn't write the contract. Which here, is Mr S.

Having your claim assessed as one and a limit applied will undoubtedly have caused inconvenience. Like our Investigator, I'm satisfied Tradex should pay Mr S £200 for that inconvenience.

Putting things right

Therefore, to put things right, Tradex should consider Mr S's claims for damage caused by fire as two separate claims. It's entitled to record on any database that two claims were made. And it's entitled to apply two excesses. Each vehicle should have a claim, and therefore the limit applied in accordance with this.

Any further payment should have interest added to it at a rate of 8% simple per annum. This is to be calculated from the date Tradex made the first settlement on the claim, to the date it makes any payment on the second claim.

It should pay Mr S £200 compensation for the inconvenience caused.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. Tradex

Insurance Company PLC should now take the actions set out in the “Putting things write section above”

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 20 June 2025.

Joe Thornley
Ombudsman