

## **The complaint**

A limited company, which I will refer to as G complains about the handling of its commercial motor insurance claim by Accredited Insurance (Europe) Ltd.

## **What happened**

The following is intended only as a summary of the events leading to this point. Additionally, even though other parties have been involved, for the sake of simplicity, I have largely just referred to G and Accredited.

G operates as, what I will refer to as, a supplier of construction materials. As such, it operates a number of vehicles, including tipper trucks. It held a motor fleet insurance policy, underwritten by Accredited. In May 2022, one of G's trucks was involved in an accident and was significantly damaged. As the truck was of a specialist nature, despite the level of damage, G intended to repair it – as it felt this would be less disruptive to its operation than arranging for a replacement to be appropriately modified.

G claimed on the policy, and Accredited accepted the claim. However, having inspected the vehicle, in June 2022, Accredited valued it at around £20,000. G thought the vehicle was worth around £30,000 – which was the value that was recorded against the vehicle on the policy documents. G had by this time purchased a temporary replacement vehicle – but this was not entirely suitable for its needs. Accredited did increase the valuation to around £24,000, less the salvage cost if G wanted to retain this and repair the vehicle.

But G remained unsatisfied and raised a complaint about the valuation. Accredited provided its final response to this in October 2022. Accredited did not change its stance, but said that – provided G supplied some outstanding documents Accredited needed to verify the claim – G could accept the settlement offer on an interim basis and then seek further evidence to support its argument. G did not accept the interim settlement, but did seek further evidence.

It should be noted that G did not refer its complaint about the valuation to the Financial Ombudsman Service within the six-month timeframe for doing so.

It seems G encountered some difficulties with obtaining this further evidence. And it was not until March 2023 that this was provided to Accredited. Accredited accepted that the further evidence showed that the valuation should be £30,000. However, when the evidence was received from G, this also noted that the vehicle had been accruing storage costs since the point of the accident. And that these had amounted to around £10,000.

Accredited did not consider it should be liable for all these. Initially, it offered only to pay a smaller part of the costs. But this has increased to the point where Accredited is willing to pay half of them. G considers that Accredited should pay the full costs. In essence, it has argued that had the valuation been correctly made when the claim was first brought, the vehicle would not have been stored for this length of time. So, it is Accredited's failure to accurately reach the appropriate valuation that has led to the costs – and hence Accredited should be liable for them.

G initially complained to Accredited about this, and then referred its complaint about the storage costs to the Financial Ombudsman Service. However, our Investigator did not recommend the complaint should be upheld. He felt that G could have taken the interim settlement and begun works to repair the vehicle, which would've prevented any ongoing storage costs. So, he considered Accredited's offer to pay for half the costs was fair and reasonable.

G didn't agree, and thought that Accredited had a responsibility for checking whether there were ongoing costs and for taking the required action to prevent these.

As our Investigator was unable to resolve the complaint, it has been passed to me for a 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 consider the position Accredited has reached on the storage costs is fair and reasonable. I've explained my reasoning below.

Firstly, I will just reiterate that the above is merely a summary. Both parties have provided detailed submissions, but I am not commenting on each point made. Instead, I have focussed this decision on what I consider to be the key issues. This is not intended as a discourtesy, but rather reflects the informal nature of the Financial Ombudsman.

I do agree with G to an extent that, had Accredited reached the higher valuation it has now given the vehicle when the claim was first assessed, the storage fees would not have accrued. So, there is an argument that this is a consequential loss caused by Accredited's error. However, as G did not refer its complaint about the initial valuation to the Financial Ombudsman Service within the six-month timeframe to do so, there is a limit to the finding I can make when considering G's complaint about the storage costs.

Regardless, the chain of events does not stop with Accredited's initial valuation. In order for me to reach a fair and reasonable outcome, it is necessary to consider all of the circumstances of this complaint.

I do appreciate G's comments about its relative unsophistication when it comes to insurance claims. And I agree that Accredited ought to be more aware of circumstances that might be an issue. It is also true that Accredited were seemingly aware that the vehicle was being stored somewhere – so there is an argument that it ought to have checked on the cost of this and whether this cost was something G intended to claim for.

However, it was not Accredited that put the vehicle into storage. G had intended to repair the vehicle, so arranged for it to be stored. G has said that it was not made aware of the storage costs until the same time as Accredited. But I do have to question this. Whilst G may not have been mindful of the fact that storage costs were accruing, the fact that there would be a cost most likely formed part of the arrangement G made with the third party who was storing it.

But even if G was not aware of this, it was aware that there was an interim settlement offer available to it. At the point in time this offer was made, it seems G's intention was still to repair the vehicle. And, whilst this offer would not have covered the full cost of repair, it would have covered the majority of it. Given G was able to fund purchasing a temporary vehicle at a cost of £30,000, it seems likely to me that it would have been able to fund the

completion of the repairs – even if this had involved selling this temporary vehicle, taking a small loan, or making some other arrangement. G's annual turnover and balance sheet have both been listed as being around £2M. It seems likely to me that it would have been able to arrange to spend around £6,000 to complete the repairs – having accepted the interim settlement. This would also then have returned G to a position where it had its full earning potential.

G has said that the temporary vehicle was not suitable for its purposes. It follows that it was likely incurring a cost – either financial or inconvenience – to operating this vehicle rather than the damage one. So, G would have had its own motivation for repairing the vehicle as quickly as possible. It is unclear why it chose not to proceed with this.

As our Investigator has pointed out, policyholders have a responsibility to act in the manner of a prudent uninsured. And to mitigate costs to an insurer. In this case, it seems Accredited did make an error in the initial valuation of the vehicle. However, it also then took reasonable action by offering the settlement on an interim basis. It was G's decision not to take this offer. And I consider this led to ongoing storage costs. I don't consider it is fair or reasonable for Accredited to be responsible for this decision of G's.

Accredited has offered to pay half the storage costs. Taking all of the circumstances into account, I consider this is fair and reasonable. It follows that I am unable to direct Accredited to do more in the circumstances of this complaint.

### **My final decision**

My final decision is that the offer of Accredited Insurance (Europe) Ltd to pay half the storage fees is fair and reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 4 September 2025.

Sam Thomas  
**Ombudsman**