

## **The complaint**

Mr A's complaint is about the handling of his commercial vehicle insurance policy with Tradex Insurance Company PLC.

## **What happened**

In March 2024, Mr A was involved in a collision while driving. He considers the third-party driver was at fault. Mr A notified Tradex of the accident but did not claim for the damage to his vehicle, as he says it was relatively minor.

However, in June 2024 the third party made a claim against Mr A stating that he was at fault for the accident. Mr A is unhappy that Tradex did not inform him that the claim was being made against him. He only found out about it when his policy was due for renewal in October 2024. When Mr A received his renewal documents, he saw that his premium had increased significantly. Mr A contacted Tradex to query the increase in premium and was told it was because of the open claim against him.

Mr A also says that Tradex's lack of investigation has left him feeling unfairly blamed for this incident. He wants the claim to be removed from his record and his no-claims discount to be reinstated. Mr A also asks how it is possible for a third party to register a claim three months after the accident, without providing any evidence.

Tradex accepted that it should have contacted Mr A to notify him of the claim received from the third-party in June 2024 and ask for his statement. It apologised for not doing so until October 2024. It offered £100 compensation for this delay. However, it says it has dealt with the claim properly.

One of our Investigators looked into the matter. He did not recommend the complaint be upheld, as he was satisfied the compensation already offered was reasonable for the delay in telling Mr A about the claim against him.

Mr A does not accept the investigator's assessment. He has made a number of points in response. I have considered everything he has said and have summarised his main points below:

- Tradex explicitly told him the £100 was a goodwill gesture and it would not impact his right to challenge the claim against him. Any inference that this represents a full and final settlement is therefore not correct.
- If he had been told of the claim promptly, he would have been able to challenge it before renewal of his policy. Tradex's error has resulted in significant additional cost to him and this is not reflected in the £100 compensation.
- The failure to tell him promptly of the claim against him was a serious failure of duty on Tradex's part.
- Tradex told him it could not disclose to him the evidence provided by the third-party, so he has no knowledge of what is alleged and cannot review or challenge the claim. This is contrary to principles of fair treatment.

- The claim was lodged four months after the accident and was accepted by Tradex without informing or involving him. It is procedurally unfair that this was then allowed to impact his record and premium.
- Tradex has not investigated the matter thoroughly and has unfairly placed the responsibility on him without allowing him a fair chance to appeal at the appropriate time.
- The process followed by Tradex raises serious questions about the reliability of the claim.
- The claim should be dismissed based on Tradex's procedural failures, delayed engagement, and absence of reliable evidence.

Mr A wants the claim removed from his insurance record and his no-claims status restored, as well as reimbursement of the increased premiums he has had to pay as a direct result of an unresolved and mishandled claim.

As the Investigator was unable to resolve the complaint, it has been passed to me.

### **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 can understand why it was a shock to Mr A to discover the claim in the way he did. Having received a claim from a third party, Tradex should have notified Mr A. It didn't do so. Mr A also says that Tradex's handling of the matter has meant he has incurred increased premiums and caused him other detriment. I have therefore considered carefully what has happened.

I can understand Mr A's concerns about the claim being made against him and the potential impact of this. Mr A considers the claim is unfounded and questions how it can be made so long after the incident. However, having received notification of the claim, albeit four months after the incident, Tradex has an obligation to deal with it. It would not be entitled to reject it out of hand and refuse to engage with the third-party insurer.

Agreeing to deal with a claim is not the same as accepting that Mr A is at fault. But it is a 'live' claim, so Tradex is required to record this as such. This is the usual procedure and I do not consider that Tradex has acted unfairly in following this process. I cannot therefore reasonably require Tradex to remove this from Mr A's insurance record.

The fact there is a live claim against him, will impact Mr A's premiums at renewal and until such a claim is resolved. If it is resolved on the basis Mr A is at fault then it may also affect future premiums. If it is resolved on the basis he is not at fault, then Mr A's insurance record can be updated with that information and premiums adjusted retrospectively.

When Mr A found out about the claim, Tradex had not made any decision about who it thought was responsible for the accident. It asked Mr A for further details and his statement of events. Tradex confirmed to Mr A that it would deny liability with the third party's insurer. However, it also informed him that it did not consider it likely it could maintain that position, if the third-party insurer does not concede, as it considers the damage to the vehicles indicated that Mr A was at fault. It is however still disputing full liability and the claim is not resolved.

I am therefore satisfied that Tradex has allowed Mr A to challenge the claim and has taken account of his submissions about the accident. Tradex is disputing liability on his behalf.

It is not for us to determine which driver was at fault and can only consider Tradex's actions as an insurer. While I acknowledge Mr A's strength of feeling that he is not at fault in any way for the accident, I have not seen any evidence that Tradex has not considered the evidence appropriately so far or has not represented him reasonably with the third-party insurer.

If Mr A is unhappy with the final decision Tradex makes on whether to concede liability or not, he can raise a formal complaint about that at the time.

Mr A also says that Tradex refused to provide him with the third-party evidence. I have not seen this raised before, I cannot address this specifically.

Mr A says that if he had known about the claim when it was made, he could have successfully challenged it before his policy renewed four months later in October 2024. However, given that the third-party insurer has not conceded liability after several months (and may not do so), I am not persuaded that it would likely have been resolved in his favour by October 2024. Therefore, Mr A's position is no different as a result of not being told about the claim sooner than he was and he would still have been charged the premium he was.

I am also not persuaded that the delay in telling him about the claim has impacted Mr A's ability to challenge it.

I do not therefore consider I can reasonably require Tradex to reimburse the additional premium charged as a result of the open claim, as it has correctly dealt with the claim and the fact there is an open claim is not the result of any wrongdoing on Tradex's part.

Having considered everything carefully, I consider the £100 already offered to be appropriate and reasonable to reflect the failure to tell Mr A about the claim against him in June 2024.

### **My final decision**

Tradex Insurance Company PLC has already made an offer to pay Mr A £100 compensation to settle the complaint and I think this offer is fair in all the circumstances. So my decision is that Tradex Insurance Company PLC should pay Mr A the £100 offered, if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 October 2025.

Harriet McCarthy  
**Ombudsman**