

## The complaint

Mrs C complains about how her insurer, Tradex Insurance Company PLC (Tradex) valued her vehicle as a total loss following an accident.

Any reference to Tradex in this decision includes their agents.

## What happened

In January 2025 Mrs C's vehicle was involved in an accident, when it was hit by a third-party vehicle on a roundabout, causing her vehicle to spin round. Mrs C's vehicle was just over four years old at the time, with her purchasing the vehicle in December 2024. She contacted Tradex to tell them about the accident and they arranged for the vehicle to be assessed at one of their approved repairers. Tradex concluded that, given the extent of the damage, it should be deemed a total loss.

Mrs C also maintained the third-party vehicle had changed lanes on the roundabout, in the process of exiting, before colliding with Mrs C's vehicle (which was proceeding correctly).. They contacted the third-party insurer denying liability for the accident and requesting they accept liability.

Tradex valued the vehicle at £13,917 but Mrs C wasn't happy with the valuation, saying it wasn't sufficient to allow her to replace her vehicle with one of similar make, model, year and mileage. To support her case, she provided Tradex with 75 examples of vehicles advertised for sale, like hers. But Tradex maintained their valuation was fair. As the accident was deemed non-fault on the part of Mrs C, Tradex added that they intended to recover the costs of the claim, including the total loss settlement for the vehicle, from the third-party insurer. Tradex said that paying a higher settlement would lead to the third-party insurer refusing to pay the higher amount.

Mrs C was also unhappy at how Tradex handled her claim. It was her first accident, and the emotional and physical toll of the accident had been significant. She didn't feel supported by Tradex through the claim process, making multiple calls to find out what was happening. Nor was she told whether the third-party insurer had accepted liability for the accident.

Because of these concerns, Mrs C complained to Tradex (February 2025).

In their final response, issued in February 2025, Tradex didn't uphold the complaint. They maintained their settlement offer of £13,917 was fair and in line with recognised industry valuation guides, being based on an average of the valuations produced by the three guides (which ranged from £13,560 to £14,580). On the handling of her claim, Tradex said they generally contacted policyholders as and when information was available, so even if Mrs C hadn't heard from them, it didn't mean her claim wasn't being progressed. While Mrs C had phoned them during the claim, they often didn't have any additional information to provide. From review of their records, Tradex the claim had been progressed appropriately.

Mrs C then complained to this Service, in March 2025, unhappy at the valuation of her vehicle, saying it wasn't sufficient to replace her vehicle with one similar. She'd provided

examples of similar vehicles to hers advertised at higher values than that offered by Tradex and they hadn't been transparent about where they had sourced their own comparable vehicles. And Tradex's handling of the claim, including a lack of support and communication throughout the process, had left her feeling disregarded and unsupported at a time of considerable distress. She wanted a reasonable settlement to allow her to replace her vehicle with one of similar age and condition. Nor did she think her complaint to Tradex had been resolved in a fair and reasonable manner.

Our investigator initially upheld the complaint, concluding Tradex hadn't acted fairly. Looking at the valuations Tradex obtained from the industry valuation guides, the investigator wasn't persuaded Tradex's valuation was fair and reasonable, as they had averaged the three valuations they'd obtained, which meant it sat in the middle of the three valuations. But Tradex hadn't shown why the valuation was fair or that Mrs C could replace her vehicle with a similar one for the valuation offered (for example, from similar vehicles advertised for sale around the time of the accident. Tradex had produced four advertisements of vehicles for sale, but the investigator wasn't persuaded as three were for vehicles newer than Mrs C's vehicle and the fourth had done fewer miles than Mrs C's vehicle. Given this, the investigator thought Tradex should offer a settlement in line with the highest guide figure (£14,580). Tradex should also pay interest on the higher amount from the date of their initial settlement payment to the date they paid the increase in valuation.

Tradex disagreed with the investigator's initial view, saying their four advertisements comprised three where the advertised price was either below or very slightly higher than their valuation, which would be considered better (either a newer vehicle, lower mileage, or both). The fourth vehicle was newer but with slightly higher mileage than Mrs C's vehicle at around their valuation. As advertised prices, it was likely they could be purchased for less. So, they maintained their valuation offer was fair and would enable Mrs C to replace her vehicle with a comparable (if not better) model, in line with the policy terms. Following further discussion with our investigator, Tradex provided five further examples of vehicles advertised for sale similar to Mrs C's vehicle (same year and registration plate) ranging from £13,399 to £13,950 (with mileages similar to Mrs C's vehicle, or less in two cases).

Our investigator considered the further evidence provided by Tradex and issued a second view, in which he concluded Tradex had been able, through the examples they'd provided of vehicles for sale like Mrs C's vehicle, to show Mrs C could replace her vehicle with the settlement valuation they'd offered. So, the investigator concluded he wouldn't be asking Tradex to take any further action. On the issue of communication and support from Tradex, the investigator concluded Tradex hadn't acted unreasonably and had progressed the claim within expected timescales, without causing any unnecessary delays.

Mrs C disagreed with the investigator's second view and requested that an ombudsman review the complaint. In disagreeing, she raised several points. First, that Tradex had engaged with this Service directly, leading to the investigator's revised view. Mrs C questioned the fairness of this approach and its impartiality and transparency. She also said she hadn't received payment of Tradex's settlement offer, saying she received a payment of £13,692 in March 2025 (not the £13,917 figure offered by Tradex). And the claim remained open. Which meant she hadn't been able to replace her vehicle. Mrs C also said her personal circumstances, including her work role, hadn't been considered in Tradex's handling of the claim. And there had been no meaningful progress or communication from Tradex (most recently on their appointment of solicitors to take over the claim). She also said she'd provided over 70 examples of vehicles like hers advertised for sale, compared to the advertisements provided by Tradex. She maintained her view that Tradex's valuation didn't enable her to replace her vehicle.

## 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.

My role here is to decide whether Tradex has acted fairly towards Mrs C. In doing so, I'd want to assure Mrs C (to address directly her concern about the impartiality and transparency of our process) that I've considered carefully all the evidence and information from both Mrs C and from Tradex. This includes that directly relevant to the issue of the valuation of Mrs C's vehicle, including the data provided by the industry valuation guides and the examples of vehicles advertised for sale. The latter includes the examples provided by Mrs C when bringing her complaint to this Service and those from Tradex (including the four examples included within their engineer's report and the further examples provided when responding to our investigator's initial view). I should also confirm I have had no contact with Tradex when reviewing the complaint (or with Mrs C) to demonstrate impartiality and transparency in my review.

Turning to the key issues of the complaint, the principal issue is the valuation of her vehicle. She says Tradex's valuation isn't sufficient to purchase an equivalent replacement vehicle, believing the market value of her vehicle significantly higher. Tradex say their valuation is fair. A second issue is how Tradex handled the claim, with Mrs C saying she didn't feel supported and that Tradex didn't communicate with her as she would have expected.

On the first issue, how Tradex calculated their settlement valuation, I've first looked at what the policy terms set out. In cases of total loss, the policy provides for the market value of the vehicle to be paid. Market value is defined in the policy as:

*"The cost of replacing the car with another of the same make, specification, model, age, mileage and condition as the car immediately before the loss or damage happened."*

As a Service, our approach to vehicle valuations starts by looking at an insurer's valuation, which we generally expect to be based on relevant industry valuation guides. We'd expect an insurer's valuation to be based on the highest valuation guide figure (or higher). If it was, then we are likely to say it's fair, unless there's other evidence to say this is unfair (or that an insurer can evidence their offer is fair where it's lower than the highest guide value).

I've then looked at the valuations for Mrs C's vehicle from Tradex. In their final response, Tradex refer to the following valuations from three recognised industry valuation guides:

- (A) £13,560
- (B) £13,612
- (C) £14,580

The average of the three valuations was £13,917 (the valuation used by Tradex in their settlement offer).

Having established how Tradex arrived at their valuation, I've then looked at the valuations for Mrs C's vehicle from the [four] recognised industry valuation guides used by this Service. Three of which are the guides used by Tradex, as set out above. The fourth guide (D) provided a valuation of £14,123.

As I've noted, our approach as a Service is that we would expect Tradex's valuation to be based on (or close to) the highest valuation guide figure (or higher). Unless there is other evidence to say this is unfair or supports a lower valuation.

The report prepared by Tradex's engineer on Mrs C's vehicle includes four examples of vehicles similar to Mrs C's vehicle advertised for sale. Three are for vehicles slightly younger than Mrs C's vehicle (either year of registration or registration plate, or both) at advertised prices of £13,795 (two examples) and one at £14,000. The fourth vehicle has a slightly higher mileage than Mrs C's vehicle (but newer registration year and registration plate) at £14,000. Allowing for their being slightly younger and/or lower mileages, these prices are broadly in line with the £13,917 valuation offered by Tradex.

At this point, I've also looked at the examples provided by Mrs C. They range from the registration year of Mrs C's vehicle to the following year (two years in one case) and registration plate the same as Mrs C's vehicle (or one or two plates younger (one is three plates younger). The mileages vary considerably, the majority being less than Mrs C's vehicle (to varying degrees) and remainder higher (again by varying degrees). The advertised prices range from £14,226 to £15,489.

For completeness, I've also considered the further examples provided by Tradex. They are all of the same registration year and registration plate as Mrs C's vehicle, with mileages that are lower than Mrs C's vehicle to mileages slightly higher. The prices range from £13,495 to £13,995. The range is close to the £13,917 figure in Tradex's valuation.

What is clear is that the ranges are different, which would support the respective views of Mrs C and Tradex about what they consider to be a fair market value for her vehicle. In reaching a conclusion about whether Tradex's valuation is fair (which is my role, not to reach my own view on a fair market value) the key is whether, going back to the policy definition, Tradex's valuation would enable Mrs C to replace her vehicle with another of the same make, specification, model, age and mileage (the policy definition).

While Mrs C's examples span a higher price range, the examples from Tradex would enable her to purchase a similar vehicle (or potentially slightly younger and/or with lower mileage) for the valuation used by Tradex in their settlement offer. So, taking all these points together, I've concluded Tradex's valuation was fair and reasonable and in line with the policy terms.

At this point, I've also considered Mrs C's other points made in response to our investigator's view. She says she received a payment of £13,692 in March 2025 (not the £13,917 figure offered by Tradex). While that would be an issue to take up with Tradex, I've noted the difference in the two figures is £225 which is the policy excess (which would be deducted under any claim, including a total loss settlement). If Mrs C thinks she may have had the excess deducted twice (or wrongly) it would be for her to take the matter up with Tradex in the first instance).

Mrs C also says there had been no meaningful progress or communication from Tradex (most recently on their appointment of solicitors to take over the claim). Again, recent developments would fall outside the scope of this decision (which would be up to the date of Tradex's final response). But as liability is being contested by Tradex as part of their handling of the claim, if they are pursuing the third party insurer for an admission of liability for the accident (and so seeking reimbursement of their outlay on the claim, so that the claim is recorded as non-fault on the part of Mrs C) then instructing solicitors may well be part of that process. Given the nature of claims where liability is contested, this can often take time to resolve.

On the second issue, the handling of the claim, looking at the sequence of events and Tradex's claim notes, they made their settlement offer a week after the accident, following recovery of the vehicle and their assessment of the damage, before concluding it was a total loss. I can see Mrs C was anxious for the claim to be settled, but Tradex explained the

process and the basis of their settlement offer (with which Mrs C disagreed, saying she thought a value of £16,000 was more appropriate from reviewing vehicles at the manufacturer dealership from which she purchased her vehicle). Tradex offered to review the valuation and make an interim payment (Mrs C declined the latter). Following a second review by their engineer, Tradex confirmed they wouldn't be increasing their offer (just under a week later). I can also see Mrs C complaining to Tradex about the traumatic impact of the accident and her feeling unsupported through the claims process (which she thinks should be reflected in the settlement offer).

As I've noted above, this decision considers events up to Tradex issuing their final response at the end of February 2025. Given the accident occurred at the end of January 2025, I don't think this was an unreasonable timeframe in which to assess the vehicle, conclude it was a total loss and make a settlement offer (which I've concluded was fair and reasonable). I recognise the impact of the accident on Mrs C, which would inherently have been upsetting and distressing, but I can't conclude Tradex took an unreasonably long time to assess the claim, make a settlement offer and then review it in response to Mrs C's challenge (including the examples advertisements she provided). They also responded to her complaint within four weeks of the accident, which is within the eight weeks allowed for a business to respond to a consumer complaint (which Mrs C made in February 2025). While she had to contact Tradex for updates, the indications are that Tradex explained the claims process and what was happening, so I can't conclude they've acted unfairly and unreasonably.

### **My final decision**

For the reasons set out above, my final decision is that I don't uphold Mrs C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 14 October 2025.

Paul King  
**Ombudsman**