

The complaint

M, a company buying and selling cars, has complained about commercial vehicle insurer, Tradex Insurance Company Plc. M bought a policy from Tradex but it cancelled it.

What happened

M arranged a policy with Tradex. The policy required M to keep accurate and complete business records. Tradex, as part of its validation checks, asked M to provide three proofs of trade (invoices or receipt books). M sent Tradex three sales invoices. Tradex said the invoices were inaccurate. M provided a corrected invoice. Tradex was still dissatisfied. M then sent it three of its purchase receipts for different vehicles. Tradex wasn't persuaded M was keeping accurate and complete records and it cancelled the policy.

When M complained to Tradex, it issued a final response letter. It said the decision to cancel had been reasonable. M complained to the Financial Ombudsman Service.

Our Investigator noted the policy requirements and the documents M had sent for Tradex' review. She was satisfied it had acted fairly and reasonably so did not uphold the complaint.

M said there had been a human error in one invoice. M said it couldn't possibly be fair for Tradex to say that was not acceptable, especially given the other documents provided.

Our Investigator clarified that there was more than one mistake. The complaint was referred 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 find my view is the same as that of our Investigator.

M, on Companies House, is detailed as a commercial motor sales business. It took out a policy with Tradex to cover its business. It's quite common for insurers offering this type of cover to expect the policyholder to keep, and be able to provide to it upon request, proof of trade.

This Service is generally satisfied that this is a fair approach for insurers of this type of policy. That is largely because of the cost of cover – for example, a policy like this could be less costly for someone who is not trading but who owns lots of cars, than insuring them individually. Whereas the insurer will have made its decision on cover, including at what price to charge, on the basis of the (different) risk a motor trader presents.

In practical terms an insurer will usually manage this type of situation by including terms in its policy which require records to be kept and setting out, possibly in its cancellation conditions, what it can do if certain criteria are not met.

Here Tradex' policy requires the policyholder to keep accurate and complete records of all purchases and sales. Under the heading of "12 Cancellation", the policy says that Tradex can cancel if the policy conditions are not met and or if documents it asks for are not provided. So I've looked at what Tradex asked for and what M provided to see if Tradex cancelling the policy was fair and reasonable.

Tradex asked M to present "3 x Proof of Trade – invoice and/or receipt book." M provided three invoices.

Of course the policy required that those sales records were "accurate and complete". M does not question that it sent Tradex an incorrect/inaccurate invoice. But it thinks that only contained one fault, which can reasonably be described as "human error".

Tradex' concerns about the three invoices can be summed up as two of them containing inaccurate detail. They showed the same invoice number and the same address for the purchaser, but had different names (with no obvious household link), dates and car details. To 'correct' that M sent further documents in relation to one of those two invoices, including an amended copy of the original invoice. The amended copy contained a simple handwritten correction to the invoice number. I can accept that "human error" might account for an erroneous single digit (12 should have been 14) – but that does not answer how two invoices had the same address. I'm satisfied it was fair and reasonable for Tradex to think M was not keeping "accurate and complete" records.

M did then send Tradex further details. I'm unsure why its complaint response letter says otherwise. However, I note the further detail is for different vehicles. No further explanation of the prior errors, or documents which might have alleviated Tradex' concerns about what was originally presented was provided. I'm satisfied it was not unreasonable for Tradex to find these new documents did not change its view on cancellation.

I appreciate that M had asked for assistance about what documents to provide, But M is a commercial entity and Tradex would not generally offer advice like this. Further, the policy is clear that accurate and complete records are required and M knew three pieces of proof of trade needed to be sent. I'm not sure how Tradex might have explained what was required in any clearer way. It was up to M to ensure it complied with the policy requirements.

My final decision

I don't uphold this complaint. I don't make any award against Tradex Insurance Company Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 12 December 2025.

Fiona Robinson
Ombudsman