DRN-5796735

The complaint

Mr Q is unhappy with the service provided by Tradex Insurance Company PLC (Tradex) following a claim he made on his taxi insurance policy.

What happened

Mr Q held a taxi insurance policy with Tradex. The policy booklet explained in the event of a claim where Mr Q's taxi was unable to be repaired, Tradex would pay the '*Market value*.' The definition of '*Market value'* said '*The current cost of replacing your vehicle with a comparable one of similar type and condition determined by reference to standard trade guides.'*

In early December 2023 Mr Q contacted Tradex to make a claim. Around 20 February 2024 Tradex said Mr Q's taxi was a total loss. Tradex provided a pre-accident value (PAV) of £10,604. Mr Q was unhappy with the PAV offered, and the time taken to deal with his claim. Mr Q complained to Tradex about this.

Tradex considered Mr Q's complaint and said the PAV offered was reasonable. Tradex accepted there had been a delay in dealing with Mr Q's claim and offered Mr Q £300 in recognition of this delay and the impact on Mr Q. Mr Q didn't accept Tradex's offer and brought his complaint to the Financial Ombudsman Service for investigation.

The Investigator checked the valuation guides that this service would usually consider when determining complaints about vehicle valuations. The Investigator said Tradex's offer to put things right was reasonable, and didn't ask it to do anything more.

Mr Q disagreed with the Investigator's findings, saying (amongst other things) that he has been left out of pocket and he can't buy a replacement vehicle with the amount offered by Tradex. As the complaint couldn't be resolved, it has been passed to me for 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.

I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

Valuation

I've summarised the values returned from the valuation guides used by Tradex when reaching a decision on the PAV for Mr Q's vehicle;

	Glass's Guide	CAP	Percayso
Tradex valuation		12,766 (160,000 miles)	£14,077 (250,000 miles)

Tradex valuation (Mileage adjusted)	£9,700 (259,822 miles)	£8,466 (259,822 miles)	£13,647 (259,822 miles)

When considering complaints about vehicle valuation, we look to see whether the insurer has shown its valuation is fair. Where we find a material difference between the guides, we'd expect an insurer to support why the PAV it has offered is a fair one.

Mr Q says Tradex should pay the highest value returned from the trade guides at the time. That is the value returned from Percayso. I've carefully considered Mr Q's comments. And I've looked at the market overview of the advertised vehicles that were used to inform the Percayso valuation. These vehicles are listed on the search page showing the value returned by Percayso.

Having considered these vehicles, I haven't seen any persuasive evidence to satisfy me that there were vehicles on sale at the time matching the make, model and mileage of Mr Q's, which would make Tradex's PAV offer unfair. The advertised vehicles used to inform Percayso's valuation all have substantially lower mileage than Mr Q's. Mileage is a material factor when considering the market value of a vehicle. Tradex's decision to explore other evidence for a fair comparison was reasonable and in line with what we'd expect.

Tradex has provided evidence showing adverts for vehicles on sale around April 2025, matching the make and model of Mr Q's vehicle:

	Value	**Year**	**Mileage**	**Owners**	**Colour**
Mr Q's vehicle	£10,604	2019	259,822	1	Black
Advert 1	£12,695	2018	114,280	1	Red
Advert 2	£12,950	2018	112,719	2	Black
Advert 3	**£10,575**	**2018**	**224,000**	**2**	**Silver**
Advert 4	£11,990	2018	121,487		Silver
Advert 5	£12,000	2018	119,500		Silver

Apart from advert three, all the other advertised vehicles have substantially lower mileage than Mr Q's. As mileage can dramatically impact the valuation of a vehicle, it wouldn't be fair to rely on the adverts with substantially lower mileage for the purposes of determining whether Tradex's offer for Mr Q's vehicle is fair.

The advertised price of the vehicle for advert three, which most resembles Mr Q's own vehicle, is £10,575. This is broadly in line with Tradex's PAV offer to Mr Q for £10,604, despite Mr Q's vehicle having higher mileage. Based on this, I'm persuaded that Tradex's offer is a fair one.

All things considered, I'm persuaded Tradex's offer is fair and reasonable. So, I won't be directing Tradex to do anything more in settlement of Mr Q's complaint about the PAV offered for his vehicle.

Hire car costs

It's not disputed that the time taken to resolve Mr Q's claim was longer than Tradex's usual service standards. Tradex also accept that its communication with Mr Q about his claim during this time was poor. The dispute now relates to what Tradex needs to do to put things right in settlement of what went wrong, and the impact on Mr Q.

Mr Q says Tradex should cover the cost of him having to hire another vehicle whilst waiting for Tradex to deal with his claim. Tradex accept its service was poor and offered £300 in recognition of its poor claim handling, and the impact on Mr Q. Having considered the evidence, I'm persuaded this amount is fair. I'll explain why.

We'd expect a business to act swiftly and effectively in concluding a motor insurance claim. This is even more important in a case like Mr Q's, where his livelihood is dependent on his vehicle being repaired and returned to him, or a PAV settlement being offered, at the earliest opportunity.

Tradex failed to progress Mr Q's claim in a timely way. We'd usually expect this process to take a few weeks, but instead it wasn't until almost three months after the date of the incident that Mr Q was offered a PAV for his vehicle. This resulted in Mr Q hiring another vehicle to continue his job as a taxi driver and ensure he didn't lose income during this time.

I'm mindful that even if Tradex had dealt with the claim as we'd expect it to, Mr Q would've still been without his vehicle for a few weeks. As we'd expect the claim to take this time to resolve. As Mr Q's policy didn't include hire car cover in the event of making a claim under the policy, Mr Q would've had to make other arrangements if he wanted to carry on working and earning an income as a taxi driver.

Tradex took longer than it should've to deal with Mr Q's claim. But even if it had dealt with Mr Q's claim sooner, I'm persuaded Mr Q would've still found himself in the same position as what has happened for his claim. That is, without his vehicle being returned, and without a PAV amount to use to purchase another vehicle.

I say this because despite the PAV offer being made to Mr Q in February 2024, Mr Q didn't accept this amount until much later in the claim. On balance, I'm persuaded Mr Q would've reacted in the same way even if Tradex had offered him the same PAV sooner (which I've said was a fair and reasonable offer). So I don't think Mr Q is any worse off than he would've been because of the delay in Tradex dealing with his claim. As I'm not persuaded Mr Q would've acted any differently, even if Tradex had done what it should've, I won't be asking Tradex to pay any hire car costs for the delay.

Tradex accept that it service was poor in respect of the communication with Mr Q about his claim. Tradex offered Mr Q £300 in recognition of this poor service. Having considered the length of delay, and the communications that went unanswered, I'm persuaded this amount is reasonable and in line with what I would direct in the circumstances. It is for Mr Q to decide whether to accept this.

My final decision

For the reasons given above, I uphold this complaint. Tradex Insurance Company PLC must pay £300 for distress and inconvenience if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 2 October 2025.

Neeta Karelia
Ombudsman