

The complaint

Mr G complained about Tradex Insurance Company PLC's handling of a third-party claim under his motor insurance policy.

What happened

Mr G admitted liability for an incident involving a third party (TP) car. Tradex settled the TP's claim and noted the claim on the insurance database.

Mr G said that the incident was minor and caused only light cosmetic damage to the TP car, and the TP repair and replacement car hire costs that Tradex paid were too high and disproportionate to that damage. He thought that the TP had inflated their costs, and that Tradex hadn't challenged those costs or been transparent with Mr G about them. He thought these too high costs had caused his premiums to increase significantly.

Tradex said that they had acted in line with the policy in settling the TP claim, and the claim costs were reasonable. Mr G didn't agree and brought his complaint to us.

The investigator didn't recommend that the complaint should be upheld. He thought that Tradex hadn't acted unfairly. Mr G didn't agree and so I've been asked to decide.

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.

Mr G has made a number of detailed points in his complaint. I've considered them all carefully, but I'll focus on what I see as being the key points.

As the investigator explained to Mr G, in Mr G's policy document Condition 3, it says "*We may, in your name, take over and deal with a claim.*" This means that Tradex can take over and defend or settle any claim under Mr G's policy at their own discretion and they have the final say on the matter. By taking out the policy with them and becoming insured with them Mr G has agreed to this term. It isn't an unusual term and it's one that we consider to be fair.

Mr G claimed that the TP claim costs Tradex paid were excessive. He thought the TP damage should have been fixed faster for less money and the car hire period was too long. He said that Tradex had failed to challenge those costs and Tradex refused to give him a full and itemised breakdown of all the TP costs, including hours of labour and parts used, and evidence supporting the car hire period. He wanted an explanation of how Tradex determined these costs were reasonable and in line with industry standards.

Tradex have shown us that they did give Mr G a breakdown of the TP costs showing the separate charges for repair, car hire during repair, recovery and storage costs and engineer's fees. They also gave Mr G a copy of the repair invoice. I think that the information Tradex gave Mr G about the TP costs was reasonable and they gave him it within a reasonable period of time. It might not have been the level of detail Mr G wanted, but it's not for this Service to ask a business to alter its policy, processes or procedures to customers. That's the role of the regulator, the Financial Conduct Authority (FCA).

Further, as the investigator explained, we aren't claims handlers and it's not this Service's role to assess what would be reasonable for third party repairs or other costs arising from an incident, as this is a matter for the experts in these situations, the insurance companies, and engineers. That's another part of Tradex's right under the policy to settle as they wish - that they decide if the costs claimed reflect damage consistent with the incident and reasonable hire car costs during the car's repair.

As regards the car hire period, repair can often take longer than expected from assessment to completion particularly if parts are required, and so I don't find about 29 days to be an unreasonable time period. And as Tradex also explained, because Mr G did not, as his policy required, report the incident to them after it happened, Tradex didn't hear about the matter until the TP made the claim. This meant that Tradex lost their usual opportunity to potentially reduce overall hire car claim charges after an incident by offering to deal directly with a third party. Instead, by the time Tradex heard about the TP's claim, the TP already had a hire car.

Tradex confirmed that they had checked the TP repair costs and were satisfied that they were consistent with the damage, and repair time period and were reasonable and in line with what they would expect to pay. They said they settled on the best terms possible. And clearly, it's not in Tradex's interests as an insurer to pay more than they have to. I've not been shown anything to suggest Tradex acted unreasonably in agreeing the TP costs.

The incident and the claim are likely to have increased Mr G's premium, as well as impacting his record on the claims database and his no claims discount. Mr G believed that the TP costs being excessive has made his new premium higher than it had to be. But it hasn't been shown that the TP costs were excessive. I have found Tradex did not act unreasonably in paying the TP costs they did or in the information they gave Mr G about them. Although I realise that Mr G will be disappointed with my decision, I don't require them to do anything more.

My final decision

For the reasons I've given above, it's my final decision that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 February 2026.



Rosslyn Scott
Ombudsman