

## **The complaint**

Mrs T complains that Tradex Insurance Company PLC ("Tradex") increased her premium for car insurance after she made a notification-only claim, and the service it provided her.

## **What happened**

Mrs T had a motor insurance policy from Tradex covering her car. The policy was arranged through a broker.

In October 2024 the broker sent Mrs T a renewal invitation, which said her premium would be £358.36. She accepted it.

Shortly after, she discovered that some damage had been caused to her car by rodents.

She called the broker and told it about the damage. She didn't make a claim, so it was a 'notification only' report. The broker informed Tradex and it confirmed it was recorded as a 'settled' claim and her No Claims Discount (NCD) was allowed.

Her renewal was processed, and she received her policy documents showing a premium increase to £440.63 (£82.27 higher than agreed) but the notification only incident wasn't shown on her documents.

She contacted the broker, who confirmed the incident was recorded on its systems and that it hadn't affected the renewal price.

Her husband has a separate policy through the same broker, which was due for renewal in February 2025. Mrs T again told the broker about the incident.

The broker then said a mistake had been made and her premium should have been substantially higher at an additional £662.10. Tradex said the incident should have been logged as a 'fault' claim as it wasn't possible to recover its costs from a third party.

Mrs T felt forced to pay the increased premium and she complained.

Mrs T brought her complaint to this service. She asks for a refund and the 'fault' claim to be removed from her records, as well as confirmation her NCD is unaffected.

Tradex hadn't been aware of the issue with Mrs T's policy.

The broker then refunded the premium rises, plus interest, and it matched the premium it had originally offered Mrs T of £358.36. It also paid a total of £175 compensation, in two amounts of £150 and £25. There's also a 'goodwill' gesture of £17.73 which I'll mention here for completeness making the total £192.73, although I remain to be convinced that final figure is useful in the context of the various refunds given by the broker.

Tradex didn't uphold Mrs T's complaint as it said it had recorded the incident correctly, and any 'fault' claim recorded on its system would affect the premium it charged.

Our investigator looked into her complaint and thought it would be upheld. She said the broker had made repeated mistakes when dealing with the policy, the incident and the renewal which had made Mrs T's process worrying and hard for her, as she has a health condition that is made worse by stress. She said Tradex should pay Mrs T a further £150 in compensation for this.

Mrs T accepted the view. Tradex didn't. It said it didn't think it had acted incorrectly, and the broker had chosen to refund Mrs T. It said she'd benefitted from the situation overall as she had received a refund she wasn't entitled to, and Tradex wouldn't chase her for it.

It asked that this complaint was reviewed by an ombudsman, so it's been passed to me to make a final 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 read the file of evidence, I'm upholding Mrs T's complaint.

What I'm going to do is provide a much-shortened summary of the final position Mrs T is in.

I'm doing this because the file contains extensive correspondence, especially between this service and Tradex. This mainly discusses the theoretical position of a claim caused by rodents, and the 'correctness' of the premiums Mrs T was charged. I don't think its inclusion here will help Mrs T, but I'll assure both parties that I have considered all of the information on file even if I don't mention it here. This is in line with this service's informal approach.

It's important I say that the broker was acting on behalf of Tradex for the purposes of setting up and administering the policy.

Tradex has confirmed the rodent incident is recorded on the external database shared by insurers as "No payment made", "NCD allowed", "Rodent damage". This information will be interpreted by insurers differently, and some may take it 'non-fault'. Others may say it's 'fault'.

Tradex have recorded it as 'fault' on its internal system due to the cause being rodents. I can't say that's unfair as it's Tradex's own rule.

Tradex was reasonably aware of the incident before renewal and should have charged the correct, revised premium at the time. It didn't, due to errors in its system and due to the actions of the broker.

The effective premium paid by Mrs T for 2024-25 was £358.36 due to the broker refunds.

The broker's decision to revert her premium to the amount it told her it would charge is fair.

Throughout Mrs T's renewal, notification and subsequently, the broker's service was poor and confusing for Mrs T to deal with.

The information she was dealing with, and the very substantial increase in her premium, was difficult for Mrs T. I can see she was very distressed and her health condition meant she had to abandon a call due to the stress it caused her.

The distress and inconvenience lasted from renewal in 2024 until at least May 2025, but was

at its peak from February when her husband's policy was due for renewal, and this impacted Mrs T's policy price substantially, even though Tradex already knew about the incident.

I've thought about Mrs T's distress, given that she's now been refunded back to her original renewal amount. I think it's fair I say her distress has been acute, and I think the repeated mistakes made on Tradex's behalf have directly caused this. I can see the final refund was only agreed after Mrs T approached this service.

I don't think the compensation amount paid goes far enough as it doesn't take into account Mrs T's circumstances.

So, I think Tradex need to pay further compensation of £150 to Mrs T because of the impact on her caused by its administrator's poor service.

### **My final decision**

It's my final decision that I uphold this complaint. I direct Tradex Insurance Company PLC to pay Mrs T compensation of £150 for her distress and inconvenience.

Tradex must pay the compensation within 28 days of the date on which we tell it Mrs T accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 19 November 2025.

Richard Sowden  
**Ombudsman**