

The complaint

Miss J complains that Tradex Insurance Company PLC (Tradex) unfairly handled and settled a claim under her motor insurance policy.

What happened

The circumstances of this case are known to both parties, but in summary Miss J has a motor insurance policy underwritten by Tradex. In July 2024, Miss J was involved in a minor road traffic collision where at a slow speed she collided with the rear of a third party (TP) vehicle in front of her. The TP alleged that damage had been caused to their vehicle but Miss J felt the allegation of damage was fraudulent as no damage was evident at the scene, and the vehicles were nearly stationary given their location. Miss J notified Tradex of the incident, but emphasised that she felt the claim was fraudulent.

Tradex ultimately accepted and settled the TP's claim and recorded a "fault" claim against Miss J. Unhappy with Tradex's handling and decision on the claim, she complained. Tradex upheld the complaint in part as it recognised it could have handled the claim in a more reasonable way and paid Miss J £275 in total compensation. However, it was satisfied that it had handled the claim fairly based on the evidence it was provided. As Miss J remained unhappy, she referred her complaint to this Service.

Our Investigator didn't uphold the complaint as they concluded that Tradex had handled the outcome of the claim fairly but acknowledged there had been instances of poor service during the claim journey. They were satisfied that the £275 paid by Tradex was reasonable in the circumstances.

Miss J didn't agree and asked for an Ombudsman to make a final decision. In summary she said she remained of the view that the claim was fraudulent, and that the damage claimed for couldn't have been caused by her due to the circumstances of the incident. Miss J reiterated that the TP acted unusually at the scene and alleged faults without testing the affected components. Miss J is also of the view that Tradex failed to assess the claim properly and caused unnecessary delay and distress.

So, the case has been passed to me 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.

While I recognise Miss J will be disappointed with my decision, I don't uphold this complaint. I'll explain why.

I know I've summarised the circumstances of this case in less detail than presented. But I want to assure both parties that I've carefully considered all the information provided. I may not respond to every point or piece of evidence. But I've focused on the issues I consider to be key to the outcome of the case. This isn't meant as a discourtesy but reflects the informal

nature of this Service – and the rules this Service are expected to adhere to enable me to do this.

I acknowledge Miss J has strong views about what happened during the incident. But I should set out that it isn't the role of this Service to decide who was responsible for an accident. This is something that can only be determined by a court of law.

Instead, I must decide whether Tradex has acted fairly, and in line with the terms and conditions of its policy. Relevant regulatory rules say firms must handle claims promptly and fairly. And having reviewed Miss J's policy terms, I'm satisfied it clearly sets out that in the event of a claim, Tradex can take over and conduct the defence and settlement of any claim.

In simple terms, this means Tradex can decide the claim how it sees fit. And so it may reach a decision that its policyholder doesn't agree with. But any decision it makes should be fair and reasonable, taking into account relevant regulatory rules. So, Tradex's decision should be based upon all available evidence.

I recognise Miss J is of the view that the damage claimed for by the TP doesn't reflect the circumstances of the incident. I can see that Tradex took these concerns seriously during its claim investigation. But I can also see that Tradex took into account the circumstances of the incident, an expert assessment of the TP vehicle, as well as relevant case law and the Highway code. Having reviewed this information, I don't find that Tradex has reached an unreasonable conclusion as the assessment concluded the pattern and location of the damage was consistent with a low-speed rear-end impact of the kind described. I also find that Tradex completed a reasonable investigation into the claim and considered all the evidence I would have expected it to.

I appreciate Miss J feels the TP's damage was pre-existing. However, I haven't seen any other information to suggest that this is the case here. It is also worth noting that an insurer won't look to accept the cost of damage it doesn't consider it is responsible for as this wouldn't be in its interest as a business. Ultimately, Tradex will look to reasonably mitigate its overall outlay and so it needs to be satisfied that the damage claimed for is claim related and consistent with the circumstances of the loss. And based on all the evidence supplied, I don't find that Tradex has unfairly concluded it would be responsible for the TP costs.

While I recognise that Miss J was concerned about the TP's actions following the incident, this in itself isn't enough to say that the damage claimed for is inconsistent or exaggerated. I understand why Miss J was concerned, particularly given what she observed at the scene. However, there isn't other evidence to support that the TP's claim was fraudulent and so this is an issue that is ultimately supported by one version of events against another. And taking into account the remaining available evidence, I don't find it unreasonable that Tradex concluded this wasn't a case it would likely be able to successfully defend if it were to go to the courts.

I think it would be helpful to explain that, while insurers typically refer to claims as "fault" or "non-fault", the actual terminology is "no claim bonus allowed" or "bonus disallowed". The term "fault" isn't to suggest that Tradex has found Miss J to be at fault for the incident but reflects that it has been unable to recover the costs from another party, such as the TP insurer. So, as Tradex settled costs relating to the claim that it isn't able to recover from another party, I'm satisfied it wasn't unfair for it to record the claim in the way that it has.

That said, I agree that there were instances where Tradex could have managed the claim in a more reasonable way, for example being proactive in its investigations, and keeping Miss J updated with its progress. This understandably caused some worry and distress. But I find that the £275 Tradex has awarded in response to these issues to be fair and proportionate in

the circumstances. There is no exact science to awards for compensation, but I find this amount to be consistent with our award bands where a firm's actions have caused some distress and inconvenience beyond what would typically be expected when raising an insurance claim. So, I won't be directing Tradex to take any further action here.

My final decision

For the reasons I have explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 11 March 2026.

Oliver Collins
Ombudsman