

## **The complaint**

Mr S complains about how Tradex Insurance Company PLC ("Tradex") handled a claim and delayed payment for his car following a claim under his car insurance policy.

## **What happened**

Mr S had a motor insurance policy with Tradex covering his car.

His car was stolen on 19 October 2024. He contacted Tradex and made a claim. The value of the car was around £30,000. His car wasn't recovered.

Just over a month after his car was taken, Tradex completed the validation of his claim and offered him a settlement. Mr S wasn't happy with the amount. Tradex increased its offer, which Mr S accepted. It asked Mr S for his bank details.

Mr S didn't agree with the amount he was being offered for his personal effects, and Tradex asked him for more information. Mr S didn't respond, so on 17 December Tradex decided to settle Mr S's claim for the car and wait for more information about his personal effects. But Tradex didn't contact Mr S further and no action was taken.

Mr S had tried to complain to Tradex but sent an email to a no-reply email address.

As Mr S remained unhappy, he brought his complaint to this service. He complained that he'd been without transport for an extended period, which had caused him and his immediate family significant difficulties. He also wasn't able to travel to see his extended family or attend appointments for his conditions. He had to hire a car for a short period, but couldn't afford to continue to do so. He said he'd not heard back from Tradex about personal belongings that were stolen at the same time.

Tradex then looked into his complaint and said it would pay him £500 for his distress and inconvenience. It accepted Mr S hadn't been able to contact it easily, which it said was due to high call volumes.

His claim was settled on 27 April 2025. Tradex added 8% simple interest to the amount it paid, but deducted tax from the interest amount as required by HMRC. It said it would pay up to the policy limit (£200) for his personal belongings. It also said it would consider Mr S's costs if he submitted evidence to it.

Our investigator looked into Mr S's complaint and thought it would be upheld. He thought Tradex should pay a further £250 compensation.

Tradex didn't agree with the view. It said it had overpaid interest to Mr S, but as it was its own error it agreed to stand this amount. It also said it thought its original compensation of £500 was sufficient.

Because Tradex didn't agree with the view, his complaint has been passed to me to make a 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.

It's important I start by saying that I've only provided a summary of the key points in the file about the timeline of Mr S's claim and subsequent complaint to Tradex.

I'm not going to cover all of the points made by both parties. No disrespect is meant by this approach, which is in line with this service's informal approach.

It's this service's role is to look into the circumstances of Mr S's claim and decide whether the service he had was fair and reasonable. And having reviewed the file, I don't think it was. So I'm upholding this complaint and I'll explain why.

Having read the file, I can see that Tradex made a substantial error in not continuing to contact Mr S after the 17 December. I've said above that it's recognised that error, and offered Mr S £500 compensation, interest on the settlement amount for his car, and said it would consider the costs he incurred while he was waiting for payment.

In its responses to this service, Tradex has talked about it also being Mr S's responsibility to contact it if he had any queries or questions about his claim.

Mr S did complain to Tradex, but he sent his email to a no-reply mailbox on 6 December. Tradex pointed out that Mr S had been using two other email addresses to contact it, so he was aware there were other routes to approach it.

Following the contact between the two parties in mid-December, there was no further contact until Mr S approached this service in mid-March.

And I think it's fair I say that it's this delay that's at the centre of Mr S's complaint, but also at the core of Tradex's position.

I don't think it's good service that Tradex failed to contact Mr S for such a long period in the middle of his claim. It should have been obvious he was at a significant detriment. From the information I have, it seems that Tradex's claims handler made an error.

At the same time, I can't see that Mr S tried to contact Tradex during this period. I know he's complained about being able to contact it by phone, as he's talked about long hold times and being transferred, but it's not clear which period those complaints are about. Tradex has said that it thinks Mr S should have made more effort to contact it to find out what was happening with his claim. It says Mr S must have spent some time organising his hire car, and he could have, instead, contacted it.

While I agree with its sentiments here, I think it's Tradex that has the far greater responsibility to keep its customers up to date. It's clear to me that it didn't give Mr S enough support while he was making a claim.

In its response to this service, Tradex said: *"...there was no indication that we were disputing or withholding payment..."*. I agree there's no evidence that it was, but as I mention above, Tradex must ensure its customers are supported during the claims process, and I think its service fell far short.

What this means is that I don't think it acted fairly or reasonably.

I've considered Tradex's response to Mr S's complaint. I can see Tradex said it had calculated the interest on Mr S's claim settlement amount incorrectly, meaning it had overpaid him.

It paid him £873.21 when it should have been £574.42. It said it would stand by its error, and I think that's fair.

I'll also comment that I can see Tradex confirmed it had discussed the delay it caused in his claim with Mr S, and said it would consider paying for Mr S's hire costs if he submitted evidence to it. From the file, I can't see that's been carried out, but I think Tradex's response is fair and it needs to consider those costs if Mr S sends them to it. I would point out that it's only Mr S's reasonable, additional, evidenced costs that this service would expect to be refunded. I'm not including this in my decision below, as I can see Tradex agreed to it.

Tradex said it would pay Mr S £500 for his distress and inconvenience caused by the shortfall in its service. I've thought about this, and consulted this service's guidelines on compensation. I think Mr S's distress and inconvenience has been very significant, and it's taken place over an extended period of time. I can see from his evidence that Mr S felt very let down by Tradex during this period, and I think the amount of compensation should be set at £750, which includes the £500 Tradex has already paid him.

### **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint. I direct Tradex Insurance Company PLC to pay Mr S an additional £250 compensation for his distress and inconvenience.

Tradex Insurance Company PLC must pay the amount within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 December 2025.

Richard Sowden  
**Ombudsman**