

The complaint

Mr R complains about Tradex Insurance Company PLC's service when handling a claim on his motor insurance policy. Amongst other things, he thinks it undervalued his car.

Tradex is the policy underwriter, which means it is responsible for decisions on claims against the policy and how much to settle those for. Tradex delegates its responsibility for claims handling to an agent, which I'll call firm M. But except for where I feel I need to refer to firm M explicitly, as firm M is Tradex's representative, within this decision I will refer to its comments and actions as being Tradex's.

What happened

I've set out below a brief summary of what happened. This is intended to give a snapshot of how events unfolded. It is not meant to be a comprehensive timeline of everything that happened that's relevant to Mr R's complaint.

Mr R's car was damaged in an accident. He reported the incident to his policy's broker. The broker is a separate business to Tradex. As the accident wasn't Mr R's fault the broker referred him to a credit hire company¹ to handle the matter. The credit hire company told Mr R that his car was a total loss. It valued the car at £5,865, which it said it would seek to recover from the other driver's insurer. Mr R was not happy with that valuation. He valued his car at around £7,500. As the credit hire company was not prepared to increase its valuation, the matter was referred back to Tradex to deal with under the terms of Mr R's policy.

Tradex initially thought that the valuation of £5,865 for Mr R's car was fair. But it agreed to refer the issue to its own engineers to see if that valuation should be increased.

Mr R was dissatisfied with Tradex's handling of the claim. He asked it to stop contacting him by email and was unhappy that it continued to do so. He complained about a number of issues concerning its claims handling.

Tradex eventually settled Mr R's claim for the total loss of his car for £6,770, less his policy excess of £375.

Tradex didn't uphold the majority of Mr R's points of complaint. But it acknowledged that it had initially paid less than it had valued his car at. To address the impact of that it offered him £150 compensation.

Mr R brought his complaint to the Financial Ombudsman Service. One of our Investigators looked into it. She thought that Tradex should increase the compensation payable to Mr R by £100 (making a total of £250).

Mr R didn't agree with our Investigator's complaint assessment. So the matter's been passed to me to decide.

¹ Credit hire companies do not generally act as agents of motor insurers. Instead they are independent businesses. They may offer their services where a driver's been involved in a non-fault accident. In those circumstances, credit hire companies may arrange repairs or to seek a recovery from the other driver's insurer for losses. They may also provide hire cars. But they are usually not doing so under the terms of the consumer's motor insurance policy. So the policy underwriter, in this case Tradex, is not responsible for a credit hire company's actions.

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.

In bringing this complaint Mr R has made a number of detailed points. I've considered everything that's on file. But in this decision I do not intend to comment on each and every issue raised. Instead I will focus on what I see as being the key points at the heart of Mr R's complaint about Tradex and in particular the issues that remain outstanding following our Investigator's assessment of the complaint.

Matters were complicated because, initially, Mr R pursued his claim through his insurance broker who referred him to a credit hire company. Mr R had complaints about the actions of those firms and their representatives. We dealt with Mr R's complaint about the broker under a separate reference number. But, I need to make clear that Tradex is not responsible for the actions or omissions of the broker, its representatives, the credit hire company or any other third party business which was not specifically instructed by Tradex to act for it.

So in this decision I do not intend to make any findings about the actions of those other businesses.

However, as I've said above Tradex did instruct its agent, firm M, to handle claims issues for it. I'll explain that it's fairly common for insurers to appoint agents to act on their behalf. And, when they do so, those agents essentially act as if they are the insurer concerned. So while the agent and the insurer may remain separate legal entities, the insurer has usually given the agent full authority to represent it.

In this case, at an early stage, firm M advised Mr R that while it and Tradex were separate firm M was acting for Tradex. Also the policy itself says that firm M would act on behalf of the underwriter. I don't think there's anything wrong or unfair about that process.

I'm aware the broker's representative told Mr R that Tradex, rather than firm M, would ring him. So when firm M and not Tradex contacted him he thinks he was lied to. But as I've already said Tradex is not responsible for the actions of the broker or its representatives. So it's not Tradex's fault if the broker's representative gave Mr R information which he thinks was misleading. And, in any event, as I've already said, firm M did have Tradex's authority to act for it. So it was in effect representing Tradex when it spoke with him.

Valuation

At the heart of Mr R's complaint is his belief that Tradex undervalued his car. He thinks a valuation of around £7,500 was more reasonable. He provided a number of adverts for cars which he feels justifies that position.

Mr R's policy says that in the event his car was deemed to be a total loss, the most Tradex would pay to settle the claim would be the car's market value. It defines market value as:

"The cost of replacing the car with another of the same make, specification, model, age, mileage and condition as the car immediately before the loss or damage happened."

Assessing the market value of a car is not an exact science. And it's not my role to value vehicles. When looking into these types of complaints we check trade guides, adverts and other relevant evidence. We generally find the guides most persuasive as they're based on nationwide research of likely selling prices of numerous similar vehicles. So, they're often more reliable than individual adverts. And I've considered if Tradex's offer to settle Mr R's claim is fair and in line with the policy terms and our general approach.

Given the competitive market for second-hand vehicle sales, and to minimise the risk of detriment to the policyholder, the Financial Ombudsman Service feels that the starting point for any settlement should be the highest valuation returned by the trade guides. If a consumer does not think that sum was enough to allow them to replace their car with an

equivalent vehicle, we would expect them to provide other evidence. For example that could be from adverts or other independent reports, which suggest that another value is fair in the relevant circumstances.

In this case Tradex looked at the valuations from three of the trade guides. The trade guides use the car's registration number to find its specific details together with the exact mileage of the car being valued. As I've said above, valuing a car is not an exact science and each trade guide uses its own method for providing a valuation. So while they may produce similar results the guides' valuations are rarely identical. At the time that Tradex ran the valuations the three guides it used valued Mr R's car at, £5,430, £5,717, and £6,324.

So, using our preferred methodology the highest of those values would have been £6,324. But it's notable that Tradex then looked to the other evidence available including similar cars being advertised and the adverts Mr R had provided. And having done so, it increased its valuation to £6,770.

I'm aware that Mr R doesn't think that sum is reasonable. Particularly as in most of the adverts he provided the cars are being advertised at higher prices than Tradex's valuation. And, those offered at lower prices have considerably higher mileage. However, some of the adverts Mr R has provided for a higher price are for cars of a later year than Mr R's. Also some of the cars are not the same model, as they have five doors rather than three. Factors like age and model will significantly affect the price of a car. So I wouldn't think it was fair to use advertised prices of those cars as a fair indication of the market value of Mr R's car.

Further, I'm aware that the advertised prices for cars aren't necessarily selling prices. A seller can advertise a car for any price they choose. But that doesn't mean it will sell for that price. Indeed there's no guarantee that an advertised car will sell at the price it's up for, if in fact it sells at all. And some dealers will advertise cars at higher than their expected selling price to allow for some negotiation in order to make the deal seem more attractive to a prospective buyer.

However, while we don't generally find car adverts alone a persuasive indication of market value, it's clear that Tradex did look to the cars available on the market and the adverts Mr R had provided. Having done so, Tradex thought a fair market value was a sum higher than those the trade guides had produced. I think that was a reasonable approach in the circumstances. I'll add that we ran the valuations through the trade guides ourselves. When doing so we also used a fourth guide which Tradex hadn't. That guide produced a valuation higher than the other three guides of £6,527. But that sum is still below Tradex's valuation, so it does indicate that Tradex arrived at a fair amount.

As I've said above, my role is not to value Mr R's car but to decide if Tradex's valuation was fair and reasonable. And given that it valued Mr R's car at a figure higher than any of the trade guides, I think it's arrived at a reasonable valuation. So I'm not going to instruct it to take any further action on that point.

That said I can see that, despite Tradex valuing the car at £6,770 (before deducting Mr R's £375 excess) when it initially made an interim payment to him, it did so for a lower sum based on the credit hire company's valuation of £5,865 (less the £375 excess). That was less than its engineer had valued the car at and so wasn't an appropriate sum to pay to Mr R. Tradex did later identify its mistake and pay the shortfall to Mr R. But I can understand that this error would have been a source of frustration and disappointment to him.

Service and contact

At a fairly early stage after Tradex became involved Mr R asked it to stop contacting him by email. And he's implied that Tradex treated him unfairly as it didn't make allowance for his personal vulnerabilities.

Mr R's car was damaged in April 2025. Tradex only became involved when the broker referred the claim to it on 15 May 2025. And as the companies involved until that point are

separate entities to Tradex, it would not have known or had access to everything that had transpired between Mr R, the broker and the credit hire company prior to that. So not all the information Mr R had given to those companies would have been passed on to Tradex.

That also meant Tradex was not initially aware that Mr R had vulnerabilities. And when he did tell Tradex about these, he didn't initially explain exactly what they were. It seems that he'd told the broker (or its representative) about these. However, this wasn't information that the broker had passed on to Tradex. So it would not have been aware of the precise nature of those vulnerabilities until Mr R told it about them.

It was shortly after Tradex first contacted Mr R that he raised concerns about its service. It spoke with him on 19 May 2025 and emailed letters to him soon after. Mr R replied asking Tradex to stop emailing him until it had corrected errors in its letters. So it's not the case that Mr R told Tradex not to email him because he had vulnerabilities and to use an alternative communication method. Instead, the reason he initially said it should stop emailing him was until it had corrected its mistakes.

Having read Tradex's file it's apparent that, other than Mr R's dissatisfaction with the initial valuation of £5,865 Tradex did not know what Mr R believed it had got wrong. So it emailed him asking that question. I don't think there was anything wrong with that. It couldn't correct any perceived errors until it knew what those were, even if Mr R had asked it to stop emailing him. And it turned out that at least one of the 'errors' wasn't an error at all. That's because Mr R had taken issue with Tradex including a number – 59 – when describing the model of his car. It seems Mr R believed that Tradex thought this was the number identifying the year of the registration plate, which was affecting the valuation. But that wasn't correct. Instead it was a number identifying the model of the car, not the year. However without making enquires of Mr R, Tradex couldn't have understood this.

Further, despite Mr R continuing to ask Tradex not to email him until it had responded to his complaints, he continued to contact it by email asking questions. So having emailed a question to it I don't think it was unreasonable that it responded by email. That said, there were occasions when I think it could have better tailored its responses to Mr R's needs. For example in early June 2025 Mr R emailed Tradex asking for advice about transferring the car's ownership. Tradex emailed him a response. But, what it sent him would appear to be a somewhat generic 'template' letter. And while it did include information on the second page about how to transfer the ownership, it also included questions about the car's valuation, proof of purchase and the car's service history, those things simply weren't appropriate to Mr R's situation. So I can understand why he took exception to it emailing this to him and that it added to his frustration.

Also, on another occasion, Tradex realised that the amount it had paid Mr R for his car was too low. So it emailed him to tell him that it had made a second payment to him. And while I can understand that it wanted Mr R to know it had corrected a mistake, given Mr R's circumstances, the choice to send that email perhaps wasn't the appropriate one. But I don't think that, or any of Tradex's other correspondence with Mr R, amounted to "*harassment*" as he alleged. Instead I think it was simply attempting to communicate with him in an efficient manner.

However, as I've said above, I don't think it always got its communication with Mr R right. And Tradex also accepted, when it responded to Mr R's complaint, that there were times during phone contact when it asked him to complete data protection checks on multiple occasions during a single interaction. And while I think it's perfectly reasonable for a business to want to make sure its speaking with the right person, I can understand that when they put consumers through checks or processes that are unnecessary this can be a source of frustration for consumers like Mr R. And it's evident that happened in Mr R's case. So I've thought about that when considering what Tradex needs to do to put things right.

Putting things right

Tradex has already accepted that it could have handled matters better and it offered Mr R a total of £150 in compensation to address the impact of that. But I don't think that sum recognises that, given his vulnerabilities, Tradex's mistakes are likely to have caused Mr R some acute stress, frustration and disappointment. In those circumstances I think compensation of £250 in total is appropriate to address the impact I've described.

So, if Tradex has already paid Mr R the £150 compensation it offered in its final response to his complaint then it must pay him a further £100 compensation. But, if it has not previously paid the £150 offered it must pay him compensation of £250. Payment of compensation is dependent upon Mr R accepting my final decision.

My final decision

For the reasons given above I partially uphold this complaint. I require Tradex Insurance Company PLC to take the steps set out above under the heading 'putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 4 February 2026.

Joe Scott
Ombudsman