

## **complaint**

Mr S complains that Tradewise Insurance Services Ltd took too long to provide a realistic offer for his stolen vehicle after he made a claim on his motor insurance policy.

## **background**

Mr S's truck was stolen in April 2017. Tradewise went through the usual checks following the report of a theft. It made an offer in July 2017 for the vehicle and later increased it to £7,775. Mr S thought the truck was worth around £9,000. He made a complaint about the valuation and the time taken to deal with the matter. In September 2017 Tradewise offered Mr S £9,330 for the truck. It apologised for omitting to add VAT to its previous offers. It also offered Mr S £100 compensation.

Mr S accepted the valuation, but he didn't think the compensation was enough. Our investigator didn't think Tradewise had caused any undue delays whilst dealing with the claim. She said it had to wait for reports from external organisations due to the theft and that it was necessary to do so. So she thought the compensation payment was fair.

After Tradewise issued its final response letter, Mr S said he'd had to pay interest on a loan he'd taken out in April 2017 to buy a new truck. He said otherwise he couldn't have gone on with his business. Mr S provided a document showing a transfer of funds to him. A statement from the lender said she wanted an extra £500 back when the loan was repaid. Mr S asked for a review of the complaint by an ombudsman.

I thought Tradewise should have checked with Mr S whether or not he was VAT registered when it started to deal with the claim. It didn't, and at each stage where the valuation was considered, it made an incorrect assumption. Mr S lost out financially as a result.

I accepted that Tradewise had to go through a series of checks because it was dealing with a theft claim. Although there was a short delay by Tradewise in applying for the police report, it was still received by mid-July 2017. Mr S had already rejected the first offer for the truck by that point. I thought if Tradewise had realised he wasn't VAT registered, it would've offered him the right amount for his truck then. Instead, he had to wait until September 2017.

I thought there were avoidable delays after the police report was received. Around the same time (mid-July 2017) Mr S had provided adverts to Tradewise showing what he thought the truck was worth. He had to call it for an update two weeks later. It was only then that it told him about the police report. I thought Mr S's call prompted Tradewise to issue an updated offer. When Mr S rejected the offer in August 2017 he was told a section leader would review the issue. But Mr S had to call Tradewise again three weeks later for an update.

Mr S had lodged a formal complaint on 7 August 2017. Tradewise had up to eight weeks to deal with it. But I didn't think that explained why he didn't get updates following his calls in July and August 2017. Mr S heard nothing further until Tradewise's final response letter was issued on 26 September 2017. I didn't think it was clear why it took so long for Tradewise to realise it had made a mistake about the VAT.

I thought it was reasonable for Mr S to think £100 compensation wasn't enough. I thought he based that *partly* on the fact that he has to pay interest on the loan he took out. But I thought that was an issue I couldn't take into account. It wasn't part of the original claim. And I said the compensation was meant to reflect Tradewise's acceptance of its poor service.

I thought the inconvenience and frustration Mr S faced as a result of Tradewise's poor service merited a higher payment than it had offered him. Mr S was worried about his business and his financial situation. In my view, there were several points at which Tradewise should have updated him without being chased to do so. And I thought its error about the VAT led to an avoidable delay of over two months in the claim being settled. My view was that £300 would better reflect the trouble and upset Mr S experienced.

I asked the parties to let me have their comments. Mr S didn't respond. Tradewise accepted my provisional findings.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As neither of the parties has made any comment about my provisional findings, I see no reason to depart from them.

### **my final decision**

My final decision is that I uphold this complaint. I require Tradewise Insurance Services Ltd to pay Mr S £300 compensation in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 March 2018.

Susan Ewins  
**ombudsman**