



## **complaint**

Mr L has complained about the valuation placed on his vehicle following his claim and with the delays in meeting the claim. As the claim was eventually settled by Tradewise Insurance Services Ltd he also believes he should have compensation for the policy being cancelled.

## **background**

Mr L's vehicle was stolen on 12 October 2010. He made a claim under his policy and Tradewise asked him to provide proof of trading within the motor trade. As Mr L did not provide sufficient information in respect of his involvement in the motor trade, the claim did not progress and the policy was cancelled. Mr L provided further documentation on 28 March 2011 however Tradewise were still not prepared to meet the claim.

Mr L bought his complaint to us in September 2011. At this time Tradewise reviewed its position and agreed to settle the claim. It placed a valuation on Mr L's vehicle of £4,750 less his excess of £1,500. This valuation was offered on 25 October 2011. Mr L did not agree with the valuation and consequently his complaint continued with us

The adjudicator reviewed the complaint. She was of the opinion that Tradewise should have settled the claim on 7 April 2011, allowing it time to review the documentation provided by Mr L. As an offer was not made until 25 October 2011, she considered that interest at 8% simple should be payable on the settlement from 7 April 2011 to 25 October 2011. Mr L did not accept the offer, however it was also his choice not to accept the offer as an interim payment and therefore the adjudicator was of the view that no further interest should be added from 25 October 2011. She also considered that the valuation of £4,750 was fair and reasonable.

Investigations took place in respect of Mr L's claim for loss of earnings due to the delay in settlement. The adjudicator was not satisfied with the evidence provided, although she acknowledged that Mr L's business was in its infancy and that a delay would have caused him significant distress and inconvenience. Because of this she recommended that Tradewise pay him £500 in compensation. The adjudicator did not consider that a refund for the cancelled policy should be made, as Mr L had not provided the proof of involvement in the motor trade prior to such cancellation, hence Tradewise had the right to cancel the policy.

Tradewise agreed with the interest payment however it was not prepared to offer £500 in compensation. It considered £250 to be reasonable. Mr L was not prepared to accept the offer made by Tradewise, particularly in light of his loss of earnings.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

As Tradewise have now settled the claim, the issue here is whether or not the settlement of the claim was unduly delayed for which Mr L should be compensated.

Tradewise, amongst other underwriters, provides insurance policies for customers that are involved in the motor trade and require its customers to demonstrate that they are involved

in the motor trade. Often this can be evidence by sales receipts, purchase ledgers and advertisements, although this list is not exhaustive. As Mr L made a claim under his policy I consider it reasonable for Tradewise to request proof of his involvement in the motor trade.

I am satisfied that Mr L did not provide sufficient proof, which in his case, was proof of livery, receipts for the purchase of business cards and advertisements, until 28 March 2011. I do not believe it unreasonable for Tradewise not to consider meeting the claim until these were received. However I can see no reason why Tradewise did not settle the claim on receipt of this documentation. For these reasons Mr L should be compensated for any delay.

The adjudicator has requested that interest be paid on the settlement figure from 7 April 2011 to 25 October 2011. I am satisfied that this is a fair and reasonable recommendation and that this has been accepted by Tradewise.

I have considered the evidence Mr L has provided in relation to his loss of earnings, however I am not persuaded I can safely conclude what his loss of earnings was between 7 April 2011 and 25 October 2011. I acknowledge that the delay in meeting the claim has caused him significant distress and inconvenience, particularly as he was starting a new business venture. For these reasons I agree with the adjudicator's recommendations for Tradewise to make a payment of £500 compensation to him for the delay in meeting the claim.

I also agree with the adjudicator's recommendations that Mr L should not receive a refund for the lost insurance period when his policy was cancelled as he did have the opportunity to evidence his involvement in the motor trade prior to cancellation and therefore the cancellation of the policy by Tradewise was reasonable.

Finally I have considered the valuation of the vehicle. Mr L purchased the vehicle for £6,000 in May 2010. Tradewise's liability on Mr L's Motor Trade Road Risks policy was limited to the trade value of his vehicle immediately prior to the accident/loss.

Due to the nature of the vehicle the valuation of the vehicle has been difficult to determine as only one of the motor trade guides has been able to provide a value. CAP has provided a value of £2,995 at the date of the loss and the adjudicator's research provided further values, albeit not at the date of the loss, to show vehicles of this nature trading between £3,100 and £4,250. I am therefore satisfied that the valuation placed on the vehicle is fair and reasonable.

### **my final decision**

For the reasons detailed above, it is my final decision that I uphold this complaint.

I require Tradewise Insurance Services Ltd to do the following:

- Pay Mr L interest on the settlement figure of his claim (£3,250) at 8% simple from 7 April 2011 to 25 October 2011.
- Pay Mr L £500 compensation for the distress and inconvenience caused to him for not meeting the claim at an earlier date.

I make no other order against Tradewise.

Rona Doyle

**ombudsman**