

## complaint

Mr N complains that, under the breakdown cover provided by his travel insurance policy, Collinson Insurance Services Limited declared his trailer a total loss rather than arranging for it to be transported back to England from France.

## background

Mr N brings this complaint through his son, AN.

In September 2014 as Mr N was on his way home from a holiday in France, the axle on his trailer failed. The trailer was taken to a local garage in accordance with French legal requirements. Collinson had no part in the recovery at that stage. It then dealt with the claim Mr N made on the basis that the trailer was a total loss. Mr N brought a new trailer for £818.27 to transport his belongings back to the UK. Collinson then gave him the choice either of returning the trailer or keeping it and making a contribution to the cost of £200. After allowing for the cost of other expenses Mr N was entitled to under the policy, this would mean that he was entitled to a refund of £703.65.

AN said that Mr N shouldn't have to make any contribution to the cost of the trailer. He said that the trailer shouldn't have been declared a total loss without first being looked at by an engineer. He said it could have been repaired for £50. Since an agreement couldn't be reached, Mr N brought his complaint to us.

The adjudicator who investigated the complaint made various attempts to resolve the dispute. She did some research and found out that the second hand value of the type of trailer Mr N had was between £130 and £500. She established the repair to the axle could have been done for £50 privately but that it would cost around £150 to have it done by a garage. She decided Collinson's offer was fair and reasonable.

AN said that Collinson's calculation of the amount owing didn't take into account changes in the exchange rate. Collinson agreed to give Mr N credit for an extra £10.01 to reflect this. But Mr N and AN didn't think this was enough to put things right. They asked for the case to be reviewed by an ombudsman.

## my findings

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

The terms and conditions of the policy say:

*'2. In the event of the vehicle(s) being badly damaged The Club reserves the right to postpone recovery of the vehicle(s) until examination by insurers has taken place. If declared a total loss The Club will not recover the vehicle(s) whether the vehicle(s) is (are) insured or not.'*

*3. The Club and/or insurers reserve the right to pay the market value of the vehicle(s) in cases where the cost of recovery exceeds this amount.'*

AN hasn't challenged the valuation or estimate of the cost of repairs obtained by the adjudicator. In assessing whether the trailer was beyond economic repair, Collinson would

have relied on the commercial cost of repairing the trailer. At the time of the breakdown the trailer was fifteen years old. This would put its value at the lower end of the bracket of £130 - £500. Taking all this into account, the assessment that the trailer was a total loss does not appear to me to be unreasonable.

The terms and conditions provided for Collinson to have the trailer inspected by an engineer. AN has argued that this is what should have happened. He says that, as Collinson didn't do this, he was the person best placed to assess whether the trailer could be repaired because he's an engineer. I'm not sure it's helpful to discuss what might have happened if an engineer had been asked to look at the trailer. The fact is an engineer didn't inspect the trailer. It wouldn't have been appropriate for AN to assess the damage because it was his father who was making the claim, so it's unlikely Collinson would have considered him to be properly independent.

The evidence suggests that at the time, Mr N accepted Collinson's decision to scrap the trailer rather than try and repair it. He went ahead and bought a new trailer even before Collinson had authorised the purchase. He also went with AN to the garage the old trailer had been taken to and tried to recover the wheels as salvage. These actions suggest that he'd accepted Collinson's decision. Otherwise I would have expected Mr N to continue to insist that the trailer should be repatriated and/or repaired.

Under the terms of the policy Collinson could have decided simply to pay Mr N the market value of the trailer on the basis that it was cheaper to do this than arrange for it to be transported back to England. Instead it has authorised retrospectively the purchase of a new trailer and offered to let him keep it if he contributes to its cost.

Mr N's trailer was fifteen years old. The purpose of the policy was not to provide a new for old replacement of the trailer. It was rather to minimise the inconvenience caused by a breakdown and ensure that Mr N wasn't left stranded in France. Collinson achieved this when it agreed Mr N could purchase a new trailer to transport his belongings back to the UK. It then gave Mr N the option of keeping the new trailer if he made a contribution to the purchase price. It says the amount of the contribution would normally be agreed in advance, but, in this case, that wasn't possible because Mr N bought the trailer before getting letting Collinson know that's what he was going to do.

Mr N can't have his old trailer back. But he can keep the new trailer he bought in France for just under 25% of the purchase price. Alternatively, having had the benefit of its use, he can return the new trailer to Collinson for no extra cost. I consider that both options are fair and reasonable. If anything the first option puts him in a better position than he would have been, even if the old trailer had been repatriated.

Finally I note there was a dispute concerning some of the items in the trailer which Mr N says were damaged, while it was in the compound of the French garage and before it was scrapped. Cover for various items such as a router and a laptop is excluded under the terms of the policy. Collinson has confirmed that it will consider any claim for damage to clothing and books that Mr N may wish to make. It has provided him with a form to complete for this purpose.

I appreciate that this must have been a stressful and frustrating experience for Mr N who is in his eighties but I'm satisfied that Collinson Insurance Services Limited has dealt with this claim in a fair and reasonable manner.

**my final decision**

I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 9 November 2015.

Melanie McDonald  
**ombudsman**