

complaint

Mr A is unhappy Tradewise Insurance Company Limited (Tradewise) has declined his car insurance claim.

background

On 16 September 2018 Mr A's car was stolen. So he made a claim to Tradewise.

Tradewise asked Mr A if he had an MOT certificate. But he wasn't able to provide one. When discussing the claim with Tradewise he said he thought he did have a valid MOT in place. In a later conversation Mr A told Tradewise he didn't think he needed to have an MOT because he bought the car new in 2015 and an MOT wasn't needed for the first three years.

Tradewise reviewed the information it had been given by Mr A but decided to reject the claim. It said Mr A didn't have an MOT on the car. And the terms and conditions of the policy explain that Mr A isn't covered if he doesn't have an MOT.

Mr A was unhappy with this decision so he made a complaint. Tradewise issued a final response maintaining its decision to reject the claim due to the above exclusion. It also said Mr A had given a false statement about his MOT in order to progress his claim. So Mr A brought his complaint to this service.

Our investigator considered the complaint but decided not to uphold it. He felt that Tradewise couldn't rely solely on the car not having an MOT to reject the claim. But he was satisfied Tradewise had fairly declined the claim on the grounds Mr A had provided a false statement which had an effect on the value of the claim.

Mr A didn't agree so the complaint has now been passed to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not going to uphold it for largely the same reasons as the investigator. I'll explain why below.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

Mr A not having a valid MOT

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

I've seen a copy of the terms and conditions for this policy. These state that there is an exclusion from cover if the car doesn't have an MOT. But, like the investigator, I don't think it would be fair or reasonable to reject the claim for theft just because there wasn't a valid MOT. This is because the purpose of this exclusion is to make sure the car is roadworthy and it lowers the risk of the car being involved in a claim following an accident. But Mr A's

car was stolen – the car having a valid MOT wouldn't have made a difference. So, I'm not satisfied the lack of MOT is a fair reason to decline the claim.

False statement

Tradewise has also declined the claim because of the inconsistent statements Mr A gave when he was asked about the MOT. I can't know for sure exactly which version of events took place here. But in order for Tradewise to fairly decline this claim it has to show Mr A made a false statement which has affected the value of the claim.

The terms and conditions provided by Tradewise say the policy will not be effective if Mr A has made a false statement in support of his claim. Having listened to the calls provided, I'm satisfied he initially told Tradewise a garage had carried out his MOT before telling it he didn't think he needed one due to purchasing the car new. Therefore on balance, I don't think it's unreasonable for Tradewise to have concluded that one of Mr A's statements were false.

I've also considered if the false statement has had an impact on the value of the claim here. After discussing his settlement with Tradewise Mr A was aware that a car not having an MOT will likely affect its value and subsequently any potential amount he was due after it was stolen. So I'm satisfied Mr A's statements about the MOT had an effect on the value of the claim. Therefore, Tradewise has reasonably concluded Mr A's false statement about the MOT was an attempt to pursue the claim.

conclusion

Overall, I think Tradewise's decision to decline the claim is reasonable.

my final decision

For the reasons given above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 24 November 2019.

Mark Dobson
ombudsman