

complaint

Mr T complains, first, about the way in which Tradewise Insurance Company Limited dealt with, and recorded under his motor trade insurance policy, three incidents between 2014 and 2016. Secondly he complains that, following a fourth accident in January 2017, Tradewise cancelled the policy.

background

Mr T and his named driver were involved in accidents in July 2014, June 2015 and December 2016. In January 2017 one of his employees, Mr D, was involved in an accident. Tradewise considered that Mr D should have had his own insurance and that, by using Mr T's trade policy to cover him, Mr T had misused the policy. It therefore cancelled Mr T's policy, having given him seven days notice of its intention to do so.

Mr T didn't agree with the way that the claims for 2014 and 2016 had been settled and recorded as fault claims. He also argued that, as he hadn't made a claim in 2015 but had dealt with the other driver directly, Tradewise should have recorded this incident as 'notification only' rather than 'non fault'.

As far as the cancellation was concerned, Mr T argues that he fully intended Mr D to make his own insurance arrangements when he transferred ownership of the vehicle to him in August 2015. He said that his broker dealt with all aspects of his motor insurance and that, if there had been an error between the broker and Tradewise, it wasn't fair to penalise him for it.

Our investigator thought Tradewise had been entitled to deal with the 2014 and 2016 claims on the basis of a 50/50 split in the case of the first one and full liability in respect of the second. He queried whether it was fair to record the 2015 incident as 'non fault'. He also considered that, as the record showed Mr D's car as having been added and then removed from the schedule of insured vehicles on the same day in August 2015, Tradewise shouldn't have cancelled the policy, as it wasn't being used to provide cover when the last accident occurred in January 2017.

Tradewise provided evidence from the Motor Insurance Database (MID) that, at the time of the January 2017 accident, Mr D's vehicle was recorded as being covered by Mr T's trade policy. It also explained that it did not distinguish, for the purpose of recording claims, between 'notification only' and 'non fault'. All incidents, where there had been no outlay, were deemed to be 'non fault'.

As a result the investigator revised his view of the complaint and recommended that it shouldn't be upheld. Mr T has now asked for an ombudsman to review the case and so it has come to me.

my findings

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

I agree with the investigator's findings in relation to the accidents in 2014 and 2016. In each case Tradewise based its decision to accept some or all liability after a consideration of the evidence, as it was entitled to do under the terms of the policy. As the claims were settled on

a 'without prejudice' basis, which left open the option for him to issue his own legal proceedings, Mr T has suggested that Tradewise should have explained his legal options to him at the time the claims were settled. I don't think this is practicable. Tradewise is an insurer, not a law firm. If Mr T wanted to know what his options were, it was open to him to obtain his own advice.

There is no evidence that Mr T has suffered any disadvantage because the 2015 incident was recorded as 'non fault' in line with Tradewise's normal policy rather than 'notification only.' So I can find no reason to change the way in which the incident has been recorded.

Turning then, to the cancellation of the policy: the terms of the policy make it clear that it is either Mr T, or his broker, who are responsible for ensuring that the schedule of vehicles covered is accurate. Tradewise would not be a position to add or remove a vehicle to the schedule, as it has no direct knowledge of the status of a vehicle at any given time. The policy clearly defines which vehicles can be included and which cannot. In order to be covered, a vehicle should either be Mr T's property or be for use by the business. Vehicles owned by employees of the business are specifically excluded.

It remained Mr T's responsibility to read and apply the terms of the policy. The evidence from the MID is clear. At the date of the accident in 2017, the vehicle in question was listed as being covered by the Tradewise policy. If, in fact, Mr T asked his broker to remove it from the policy and it didn't do so, that is a matter he must pursue with the broker.

Mr T says that, after the accident occurred in January 2017, he tried to find out if Mr D's car was still covered by his trade policy but was blocked from doing so. If he believed that the vehicle had been taken off the policy in August 2015, it's not clear why he would need to check. The fact that he did so suggests to me that there was at least some doubt in his mind as to whether or not it had remained on the trade policy after ownership was transferred to Mr D.

I can readily appreciate that it was very frustrating for Mr T when the investigator changed his opinion about his complaint. But I'm satisfied that he only did so after careful consideration of further evidence provided by Tradewise. That evidence supports the finding that the policy was used between August 2015 and January 2017 to provide cover for a vehicle that was excluded under the terms of the policy. So I'm satisfied that Tradewise was entitled to cancel the policy.

my final decision

I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 16 June 2018.

Melanie McDonald
ombudsman