

complaint

Mr K complains Tradewise Insurance Company Limited poorly handled a claim on his commercial motor insurance policy.

background

Mr K owns a vehicle repair garage. In February 2019 he accidentally damaged one of his customer's vehicles. He claimed for the damage on his Tradewise motor trade road risks policy. Tradewise's repairer collected the vehicle. It was stripped down for inspection. Then Tradewise said the incident wasn't covered by the policy.

Mr K complains Tradewise shouldn't have allowed the vehicle to be dismantled – it should have realised sooner that the claim wasn't covered. He feels the repairer caused significant additional damage when stripping.

Tradewise tried to return the vehicle to Mr K, but he refused to accept it. He said Tradewise needed to return it in the condition it left his garage or pay him the costs of the additional repairs. The repairer charged storage fees. Mr K wants Tradewise to pay those. He's been paying alternative transport costs to the vehicle owner's. Mr K says Tradewise should reimburse him that cost too.

Mr K complained. Tradewise said its decision to refuse the claim was correct. It feels it didn't do anything wrong by stripping before its liability had been established. It's said there was nothing to show its repairer had caused additional damage. It felt there was no point putting the vehicle back together using the damaged parts. It said if an independent engineer felt its repairer had caused additional damage it would cover the relevant costs.

After seeing a report from an engineer our Investigator recommended Tradewise cover the cost of some damage – a total of £169.50. He also said it should pay Mr K £50 compensation. He didn't agree Tradewise should cover the travel costs of Mr K's customer or the storage fees. Tradewise accepted the assessment but Mr K didn't. So the complaint has come 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.

Mr K seems to have accepted that the claim wasn't payable. He hasn't asked us to consider the decision to refuse it. So I haven't done that in this decision.

There's very little to support Mr K's position that Tradewise's repairer caused significant additional damage during the strip. The report from an independent engineer says the repairer wasn't responsible for anything significant. It says parts can become damaged during a strip. The engineer did suggest a possible cash settlement of £169.50 - to cover a few hours' labour and minor damaged parts. Tradewise has agreed to pay that. That seems fair, so it should do so. Considering that, and other information provided, I can't say Tradewise's repairer did cause significant additional damage to the vehicle.

There does seem to have been a communication issue at the start of the claim – between Tradewise and the repairer. Perhaps the vehicle shouldn't have been stripped by the

repairer. The reason for the refusal of the claim, the locations of the incident, was provided by Mr K when he initially reported the incident. But in any event I can't see that the mistake caused a financial loss to him. The strip was required for repair regardless of the outcome of the claim. And Tradewise very quickly offered to cover the cost of transporting the vehicle and its parts back to Mr K's garage.

Unfortunately Mr K refused that offer for some time. He felt extra damage had been done to the vehicle. I've already said that what I've seen doesn't really support that. There was perhaps some minor unnecessary damage. But not enough for him to reasonably refuse to accept the return of the vehicle to his own garage. That means I can't say Tradewise should cover any resulting storage fees charged to Mr K by the repairer. It also means I don't agree that it needs to reimburse him the car owner's travel expenses for the same reason.

A lot of the inconvenience experienced by Mr K resulted from him not taking the vehicle back. I can't fairly require Tradewise to compensate him for that. But in the circumstances of the claim, it would have been preferable for Tradewise to have realised earlier that the claim wasn't payable. Not doing so has caused Mr K some unnecessary distress and inconvenience. The Investigator suggested £50 compensation to recognise this. That seems fair to me. So Tradewise should pay that.

my final decision

For the reasons given above, Tradewise Insurance Company Limited needs to pay Mr K £169.50 plus £50.00 compensation*.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 20 March 2019.

Daniel Martin
Ombudsman

*Tradewise should do this within 28 days of us telling it Mr K's accepted my final decision. If it pays later than this it should add interest at a rate of 8% simple per year from the date of my final decision to the date it makes payment.