

## **complaint**

Mr Y has complained as director of M, a limited company, that Tradewise Insurance Company Limited took too long to deal with repairs under his commercial vehicle insurance claim.

For ease I'll refer to Mr Y throughout my decision rather than M.

## **background**

Mr Y damaged his car on 7 March 2018 after driving through snow. He said he was originally passed to a claims management company to deal with the claim but was passed back to Tradewise on 9 March due to the complexity of the repairs. Tradewise instructed an engineer to inspect the vehicle, who said it was repairable. On 22 March Tradewise asked Mr Y to get a quote for repairs. Mr Y sent an estimate but also said he'd get another quote from a different garage. Mr Y phoned Tradewise on 13 April to find out what happening. It said it was waiting for him to send the second quote but agreed to use the first estimate. It authorised repairs on 20 April.

On 4 June Mr Y called his broker as he was unhappy the repairs were taking so long. Tradewise said it had spoken to the repairing garage who said the car also needed a new gear box. Tradewise arranged for the engineer to do a further inspection and based on the outcome of that decided to write-off the vehicle (known as a total loss). It made an offer to Mr Y on 14 June to settle his claim as a total loss.

Mr Y was unhappy things had taken this long and said he'd lost earnings as a result. He said he'd had to contract out the work he had booked to another driver. He thought the delay in repairs had caused the damage to the gear box.

Tradewise said the time taken for repairs wouldn't have caused the damage to the gear box. It said that damage wasn't visible during the engineer's first inspection and so it needed to arrange a second inspection to check the damage was accident related. It thought its claims handler had responded to the claim in a timely manner but offered to reimburse Mr Y's hire costs for one week to resolve things.

Mr Y didn't think this was enough and brought his complaint to us. He said he'd provided a quote from a garage and then had to chase Tradewise to find out what was happening. He said the repairing garage picked up the vehicle but then there was a delay of three weeks while they waited for authorisation for the gear box. Mr Y said he contacted Tradewise a number of times but rarely received a reply. He also said the website where he bought the policy said he'd get a courtesy vehicle, but he later found out this was an extra he'd have to buy. He was also unhappy with the service he'd received from Tradewise as he wasn't kept updated.

Tradewise said it doesn't offer courtesy vehicles and thought the information Mr Y referred to would have been on the broker's website. So any complaint about that would need to be directed to the broker. It didn't think it caused delays to Mr Y's claim other than the week it had already offered to compensate him for.

While we were looking into things Mr Y also complained that Tradewise hadn't offered him enough as the total loss value of his vehicle. He said Tradewise valued his van at £15,500

but it should have been around £18,000 as it had a lower than average mileage, and he'd paid a substantial deposit to the finance company when he bought it.

I issued a provisional decision on Mr Y's complaint on 9 May 2019. In that decision I said:

*delays*

*The terms and conditions of Mr Y's policy say if the vehicle is damaged Tradewise may choose to repair, reinstate or replace it. It says the policyholder may choose their own repairer and submit the estimate to Tradewise for approval.*

*I'm unsure why Tradewise passed Mr Y to a claims management company given that there didn't seem to be any other car involved in causing the damage. But I can see Tradewise instructed an engineer on 9 March. So I don't think there was an unnecessary delay. It received the engineer's report to 20 March and asked Mr Y to get a quote two days later. I think it's reasonable for Tradewise to want to check the damage was accident related and this doesn't seem to have caused any unreasonable delays.*

*I've listened to the call on 22 March between Mr Y and Tradewise. Mr Y said he'd sent a quote but also said he wanted to get a cheaper one from another garage. I think it would have been better if Tradewise had been clearer about his options here and let him know that it wouldn't do anything until it received a second quote. But as Mr Y wanted to get a second quote I don't think it was unreasonable for Tradewise to wait for that before authorising repairs. So I don't hold Tradewise responsible for any delay between 22 March and 13 April when he called back.*

*Mr Y phoned Tradewise on 13 April and it told him it hadn't received the second estimate. I think at this point Tradewise again could have been clearer and told Mr Y it could use the quote he'd already provided. Mr Y phoned again on 19 April and Tradewise asked Mr Y which garage he wanted to use. It then agreed with Mr Y that it would use the first estimate. I think Tradewise caused a delay of a week here but I can see it's already offered to reimburse Mr Y for a week's hire costs, which I think is fair and reasonable.*

*Tradewise authorised repairs straight away and said any further delays were caused by the garage, so weren't its fault. Tradewise said Mr Y reported that his vehicle was a total loss on 6 June and it made him an offer on 14 June after arranging a second inspection by an engineer. It seems reasonable that Tradewise would want to verify the damage was accident related and I don't think it caused delays between 6 June and 14 June. So what I need to consider is whether the delays between 19 April and 6 June were Tradewise's fault.*

*In its final response letter Tradewise seems to suggest it found out there was more damage to Mr Y's car on 4 June. However this wasn't right. I can see from emails between Tradewise and the garage that the garage revised its estimate to include the gearbox on 3 May. So I don't think Tradewise was responsible for any delays between 19 April and 3 May as the garage was working on the car. However it then took Tradewise around six weeks to decide to write-off Mr Y's car.*

*I think it was reasonable for Tradewise to want to look into what caused the further damage. And I can see from Tradewise's notes that it took 11 days for an engineer to provide a view on whether the damage could have been caused by the accident. I don't think that was an unreasonable time to get an engineer's opinion. However I think there were times when Tradewise took longer than it should have done. For example it took five days to respond to*

*the garage's email and then went back to ask the garage and engineer questions that I think it should have clarified sooner. It also took five days from having all the information to deciding the car was a total loss.*

*Although I think Tradewise could have acted more quickly at times I haven't seen enough to persuade me it needs to compensate Mr Y for this. Mr Y provided an invoice for the hire of a car and another driver. This invoice seems high as it seems Mr Y would have been able to buy a new car for less than the amount he paid to hire one with a driver. Mr Y said he didn't know he would need the hire for so long as he thought his car would be repaired. I accept this explanation but don't see why he needed to hire a driver with the car, as it was the car he didn't have available and not the driver.*

*Mr Y also hasn't been able to show that he paid the invoice he's provided us as he said the bank account he used has closed. And he hasn't provided any further information to demonstrate his loss. As I'm not persuaded Mr Y has experienced a financial loss I'm not going to ask Tradewise to compensate him for this. I also don't think he mitigated his losses by hiring a driver.*

*Tradewise said it would cover one week of reasonable hire costs but has also said Mr Y hasn't provided evidence to support those costs. It said it doesn't intend to pay Mr Y anything unless it sees this. As I also haven't seen enough to persuade me of his losses, I'm satisfied that's fair and reasonable. However I understand Tradewise will still consider paying this if Mr Y provides suitable evidence of his costs.*

#### *customer service*

*I do think Tradewise could have dealt with things more quickly at times and this has caused Mr Y inconvenience. I also think it would have been helpful for Tradewise to have communicated better with him once it knew from the garage that the car needed additional repairs as instead Mr Y had to contact his broker to find out what was happening. So I think it should compensate him for the inconvenience. When considering other awards our service makes for cases of similar seriousness I'm satisfied £150 is a fair and reasonable amount of compensation for Tradewise to pay Mr Y for the unnecessary inconvenience it caused him.*

#### *valuation*

*The terms and conditions of Mr Y's policy says the most Tradewise will pay if the car is damaged is its market value. The market value is usually considered to be the cost of replacing the car with one in exactly the same condition the car was in immediately before the damage occurred. Our service doesn't value cars, instead we look to see that the insurer has provided a fair and reasonable valuation.*

*Tradewise used three relevant trade guides to value Mr Y's car. We generally find these persuasive as they take account of nationwide research of sales prices. They also take account of the mileage when providing a valuation. Tradewise said the guides gave values of £14,340, £15,550 and £14,850 so it valued the car at £15,500. We checked the trade guides and our valuations are roughly in line with those provided by Tradewise. I can see Tradewise used the highest of the valuations given in the guides and I think that's reasonable. I haven't seen anything other than Mr Y's comments to make me think the valuation should be higher, so I'm not going to ask Tradewise to increase it.*

#### *hire car*

*Mr Y's policy doesn't provide him with a like for like hire car while his was being repaired. I understand he feels one was advertised when he bought his policy. That's not something I can consider in this decision as it was a broker that sold Mr Y's policy and not Tradewise directly.*

Neither Mr Y nor Tradewise replied to my provisional 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.

As neither Mr Y nor Tradewise replied to my provisional decision I see no reason to depart from my findings.

### **my final decision**

My final decision is that I partly uphold this complaint and require Tradewise Insurance Company Limited to pay M £150 for the unnecessary inconvenience it caused.

Tradewise Insurance Company Limited should pay this within 28 days of us telling it Mr Y's accepted my final decision. If it pays later than this it should add interest to the £150 at a rate of 8% simple per year from the date of my decision to the date it makes payment.<sup>1</sup>

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y, on behalf of M, to accept or reject my decision before 30 June 2019.

Sarann Taylor  
**ombudsman**

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<sup>1</sup> If Tradewise considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr Y how much it's taken off. It should also give Mr Y a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.