

## **complaint**

Mr C has complained as a director of M about the amount QBE UK Limited offered in settlement of M's claim for damage to a vehicle insured under their commercial motor insurance policy.

## **background**

M insured a truck with a *cherry picker* on the back and this was damaged when it was stolen. They claimed under the policy and QBE said it had a market value of £4,400 and offered this less the excess in settlement. Mr C wasn't happy about this and complained, as he thought it was worth more. QBE then offered M £5,250 less the £250 excess, with M retaining the damaged vehicle.

Mr C was unhappy with this and asked us to consider M's complaint. One of our investigators considered the complaint and explained why he thought QBE's offer was reasonable based on the policy terms.

Mr C didn't agree with the investigator and has asked for an ombudsman's decision. I reviewed the evidence and asked the investigator to check with QBE where the value for the truck on the policy schedule came from. And I also asked him to check with Mr C how it came to be insured under the policy when it wasn't actually purchased by M and instead was purchased by Mr C's sole trader company.

QBE has explained the value on the schedule was most likely provided by M's insurance broker. And Mr C has explained that M had other vehicles insured under the policy it didn't own, so he doesn't see the fact the damaged vehicle wasn't purchased by M as an issue.

## **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've decided not to uphold it.

The relevant section of M's policy says the following:

### **6.1 Loss or damage cover**

If your vehicle is lost, stolen or damaged by:

6.1.3 theft or attempted theft excluding obtaining property by deception;

then we will pay at our option:

- a) the reasonable cost of repairing any damage to your vehicle within its market value;  
or
- b) the market value, purchase price or your estimate of value shown in the schedule of your vehicle whichever is the lower if your vehicle is damaged beyond economical repair; or
- c) the cost of replacing your vehicle, or any part thereof which has been lost or damaged, with one of a similar type and in similar condition

The damaged truck is listed in the policy schedule as an Iveco Ford Access having an estimated value of £3,000. QBE has said this estimate is most likely to have come from M's broker, although Mr C has queried it and said it can't be right. But QBE has offered more than this in settlement and it's based its offer on an estimated market value of £5,250. This suggests it's exercising its option to pay the market value and not relying on the estimated value in the schedule. So I've considered whether the market value it's used is reasonable, bearing in mind this offer includes M retaining the damaged truck, including the cherry picker. And I'm satisfied it is. This is because it seems to represent the market value of a basic truck of the same make and model and M will still have the option to move across the cherry picker from the existing truck.

I appreciate Mr C has said the cherry picker will be very expensive to move the cherry picker, but I haven't actually seen any independent expert evidence to show this. And – in any event – the schedule suggests only the basic truck is insured. I appreciate it is described in the registration document as mobile plant, but the value on the schedule, which seems to have been selected by M's broker, reflects the basic vehicle. And this means I'm satisfied that QBE's offer is fair and reasonable, bearing in mind it allows M to retain the damaged vehicle. And this means I don't think it is appropriate for me to uphold M's complaint.

### **my final decision**

For the reasons set out above, I have decided not to uphold M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 22 August 2020.

Robert Short  
**ombudsman**