

complaint

Mr G complains that Tradewise Insurance Company Limited declined to deal with a claim he made under his motor insurance policy, but disposed of his vehicle regardless. It also wants to recover its outlay from him.

background

Mr G's vehicle was stolen and found burnt out by the police. It was stored by a recovery firm. Tradewise collected the vehicle three days later, after being informed of the incident by Mr G. It instructed an engineer to assess the vehicle (at a cost of £54) and paid the recovery and storage charges of £360. The vehicle was written-off, and Mr G was advised it would be disposed of in 45 days if he did not express an interest in keeping it.

Shortly afterwards, Tradewise referred the claim to an underwriter, as the vehicle had "Q" plates, which meant it was only insured for third party damage, not fire or theft. The vehicle was disposed of in October 2012. Tradewise asked for the reimbursement of its outlay of £414. Mr G refused to pay, so it disallowed his no claims discount (NCD), which left him worse off than if he had paid the sum requested.

Our adjudicator did not uphold the complaint. In his view, the majority of the costs were incurred (for recovery and storage) *before* Tradewise collected the vehicle, so Mr G would have had to pay them in any event. He considered the engineer's fee to be reasonable as Tradewise had been asked to deal with the claim by Mr G and it had to establish the state of the vehicle. As it was very badly damaged, in the adjudicator's view Mr G would have had to dispose of it himself, so the disposal fee of £78 required by Tradewise was also reasonable.

Although the adjudicator felt that the car probably should not have been disposed of until after Tradewise had informed Mr G it was not covering the claim, Tradewise received nothing for salvage. Consequently, the adjudicator concluded that Mr G was not prejudiced financially by the disposal, as he would have not have done so either. Mr G disagreed. In his view, Tradewise mis-handled the claim and Mr G could have used some parts of the vehicle and /or sold it for scrap had Tradewise not wrongfully disposed of it.

As there was no agreement, the complaint was passed to me for review.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in all the circumstances of this complaint.

I agree with the adjudicator that Mr G would have had to pay the recovery and storage charges himself, so it is reasonable for Tradewise to expect them to be reimbursed. Mr G says it should not have recovered the vehicle as it was not insured. However, I am satisfied the vehicle did have *restricted* insurance cover from Tradewise and that Tradewise's first response team would not have known immediately that fire and theft were not covered (and it appears Mr G did not appreciate that himself at the time).

Tradewise was asked to consider the claim by Mr G and has confirmed that its policy was to remove vehicles from storage as quickly as possible; substantial additional storage charges would have accrued otherwise and Mr G would have been liable for those. The engineer's

inspection was part of the initial processing of the claim and I am satisfied that it was reasonable in the circumstances for the inspection to take place and the charge made.

It appears from Tradewise's notes that by September 2013 it was aware that Mr G's vehicle was only covered for third party damage, but Mr G was not informed of that until he called for an update on 22 October. In the meantime the vehicle had been disposed of, although I am satisfied that Tradewise did wait longer than the 45 days given to Mr G for him to register an interest in retaining the vehicle. I am satisfied that Mr G did not register any interest and that by this point Tradewise knew the vehicle was a write-off and considered it to be of very little or no value anyway. It is likely in my view an assumption was made that Mr G would not wish to keep the vehicle in the circumstances.

Regardless of that, I am of the view that Tradewise should have waited until after it had advised Mr G that it was not covering the claim before disposing of the vehicle. I am satisfied that had it done so, he would have wished to retain the vehicle. The question is whether he was disadvantaged financially by the vehicle's 'early' disposal.

Mr G submitted an opinion from a local garage to us about the value of parts on the vehicle being worth £800 to £1,000. Tradewise put that view to its engineers, who commented that virtually all the parts mentioned by the garage were fire damaged or corroded, and reiterated that the vehicle was worth nil salvage value. Mr G does not accept that view and considers the scrap value of the vehicle alone would have been £200 to £300.

The adjudicator's view was that, given the inconvenience and costs associated with disposing of the vehicle, it was unlikely to have been worth any real value. I have taken into account that the garage which provided the estimate about parts did not inspect the vehicle after the fire, whereas the engineer instructed by Tradewise did, and took photographs. It is obvious from these that the vehicle was in a very badly damaged state. I consider Mr G's opinion about the value of the damaged vehicle to have been overly-optimistic. Nonetheless, in my opinion it would have been possible for him to have sold the scrap metal from the vehicle. He may even have been able to sell a few parts (e.g. the one undamaged wheel).

In order to sell the vehicle, however, Mr G would have had to retrieve it from Tradewise, and in order to do that he would have had to reimburse Tradewise's expenditure, which at that point would have been £414. I am satisfied that even if Mr G had been prepared to do that, he would also have had to pay for the vehicle's safe disposal. I consider it very unlikely that he would have received more for the sale of the scrap (and perhaps a few parts) than he would have had to expend had he retrieved the vehicle. Consequently, I am not persuaded that Mr G was prejudiced or disadvantaged by Tradewise's disposal of it.

I appreciate that Mr G was distressed by the loss of the vehicle, particularly as he had apparently spent a considerable amount of time and money on it. However, in my view the loss he suffered was the result of the theft and the fire, rather than of Tradewise's actions.

Tradewise initially said that, should Mr G pay the sum requested in reimbursement of its outlay, it would restore the NCD. That offer may remain open, so Mr G may wish to contact Tradewise directly about the issue.

my final decision

My final decision is that I do not uphold this complaint.

Susan Ewins
ombudsman