

complaint

Mr O says Tradewise Insurance Company Limited acted unreasonably in the way it dealt with a claim he made on his motor insurance policy following an accident.

background

The accident was on 24 July 2018. Mr O agreed to use an approved garage for the repairs, but it wouldn't include work on pre-existing damage. He then said he wanted 'garage A' to do the work. Tradewise instructed an independent engineer to review the damage and agree costs. The repairs were authorised on 30 August 2018, but Tradewise required garage A to agree to meet its standard requirements relating to parts.

On 3 September 2018 Mr O said he wanted Tradewise to pay him cash in lieu of repairs (a 'CIL' payment). He said that was because he was going away for several months very shortly. As the repairs couldn't be done before then, he said storage charges would be run up. Tradewise offered Mr O a CIL payment of £2,550, less the policy excess. He wanted the full sum set out in garage A's estimate (£3,600 - less the excess). Tradewise wouldn't offer him more. But it was still willing to pay garage A's bill or the higher repair costs of the approved repairer as an alternative.

One of our investigators reviewed Mr O's complaint. He thought Tradewise had acted fairly in the way it dealt with Mr O's request for a CIL payment. But he noted that it had told him twice in error that the motor cyclist involved in the accident had said it wasn't Mr O's fault. In fact, Mr O had made a statement to the police and had told them he'd emerged from a side street into the path of the bike. The liability decision was based on that. The investigator thought Tradewise should pay Mr O £100 for its errors, and it agreed. Mr O accepted the investigator's view, but later decided he wanted a review of his complaint by an ombudsman.

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 O thinks he was entitled to a CIL payment. But the policy says it's for Tradewise to decide how to deal with a claim, so I don't think that's correct. When a car's repairable, it's usual for an insurer to pay for the repairs. In this case, the initial engineer who checked the damage, plus an independent engineer (and garage A's engineer) all thought the car was repairable. But Tradewise agreed to consider Mr O's request and offered him a CIL sum anyway.

Tradewise tried to explain to Mr O that a CIL payment didn't have to be the same as a sum required by a garage for repairs. It said VAT was excluded for a start. Consumers taking a CIL payment may not pay VAT. They may also choose not to have the repairs done, or have them done in a way that costs less than a standard garage would charge (given its running costs, and the price of manufacturer's parts. I think it was reasonable for Tradewise to point out these issues and to offer less than the full repair costs.

A CIL payment was only one of the options on offer. Tradewise was still prepared to pay garage A to do the work - as long as it could meet its standard repair requirements. I think that was reasonable. And it was still open to Mr O to have the repairs done by an approved garage, paid for by Tradewise.

I don't think Mr O can show that Tradewise acted unreasonably in the way it dealt with his request for a CIL - or in the offers it made to pay for his repairs.

Mr O told us he thinks his car should have been written-off. He says Tradewise's engineer told him it didn't have the money to do that. Tradewise said the engineer didn't make such a statement. There's no evidence either way, but I think it's far more likely than not that Mr O misunderstood something the engineer said. I think the evidence (including that from an independent engineer, whose duty is to the court) shows the car was repairable.

In my opinion, Mr O's expectations were raised when Tradewise told him liability had been accepted by the motor cyclist. He was confused and disappointed when that turned out not to be the case. Tradewise has already accepted that it would be fair for it to pay Mr O £100 compensation for distress and inconvenience. I think that's a reasonable way to settle Mr O's complaint.

my final decision

My final decision is that I uphold this complaint in part. I require Tradewise Insurance Company Limited to pay Mr O £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 13 February 2020.

Susan Ewins
ombudsman