

complaint

Mr L is unhappy that Tradewise Insurance Company Limited (Tradewise) has turned down his motor-trade insurance claim after his car was stolen.

background

In November 2016, Mr L contacted Tradewise to make a claim on his motor-trade insurance because his car had been stolen. Tradewise explained the information it would need from Mr L, and that it would contact him shortly to do a telephone interview.

In December 2016, Tradewise spoke to Mr L to go through things in more detail. During this, Mr L explained that the car had a carbon-fibre roof, spoilers and wing mirrors, coloured brake callipers and tinted windows – that he had put on since he bought the vehicle. After the call, Tradewise explained to Mr L the information it still needed – which Mr L later provided. It also contacted other relevant third parties, like the police, to gather more information about the claim.

In March 2017, Mr L made a complaint to Tradewise – because the claim still hadn't been settled, and he hadn't been updated. Tradewise went on to turn down Mr L's claim in April 2017. It explained that that under the policy terms, it doesn't cover theft of any modified car – and it referred to the number of modifications made.

Tradewise also replied to Mr L's complaint. It said its insurance documents explain that modified cars aren't covered for theft. It also said that while it needed to gather information to consider the claim, it could've acted quicker after it got the police report – so it gave £75 compensation in recognition of this.

Mr L didn't think the car had been modified. That's because they were only stickers to look like carbon-fibre which could be easily removed – and Mr L gave an invoice to support this. He also remained unhappy with how the claim had been handled.

Tradewise didn't change its mind – so Mr L brought his concerns to us. Our investigator looked into things and thought Tradewise had acted fairly when it turned down Mr L's claim. She also thought £75 was a reasonable way to put right Tradewise's handling of the claim.

Mr L didn't agree. He said everything was removable so he didn't think they should be classed as modifications. He also explained that this should've been made clear to him before he took out the insurance.

The complaint has since come to me to make a decision. Tradewise added that pictures of the car show there have been changes to the wheels too, which would be another modification. When our investigator put this to Mr L, he explained that the wheels on the car when it was stolen were the same as when he bought the car.

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 won't be asking Tradewise to do anything.

I've looked at Mr L's policy terms and conditions for his motor trade insurance. These explain on page 6, and later through an endorsement on page 21 that Tradewise isn't liable for *"Loss or damage by fire, theft or accidental damage to any Insured Vehicle that is kit build, customised, modified or supercharged, any Ford Cosworth model."*

I've also looked at Mr L's statement of fact. On page five, under the heading *"Vehicle Restrictions and Exclusions"*, it says *"Vehicles restricted to Third Party Only cover: - ... Customised, Modified or supercharged"*.

I think the term has been written and presented plainly in Mr L's policy terms – and highlighted again in Mr L's statement of fact. Given this, I think Tradewise was clear from the outset that Mr L wouldn't be fully covered for customised and modified vehicles.

I've gone on to think about whether Tradewise applied these terms fairly when it turned down Mr L's claim. When Mr L made his claim, he explained that the car had a carbon-fibre roof, spoilers and wing mirrors, coloured brake callipers and tinted windows. Tradewise took this to mean that certain parts were made of carbon-fibre – but Mr L since explained they were stickers to look like carbon which could be removed.

Tradewise told us that even knowing this, it still thinks the vehicle was modified. Because it's work that's been carried out aftermarket – and would've affected the car's value and also made it potentially more attractive to thieves (who I assume mightn't at a glance realise they were only fake). It also pointed out that other modifications had been made, apart from the "carbon-fibre" stickers.

I think how Tradewise has looked at this is fair. "Customised" or "modified" isn't defined in the policy terms. But even taking their ordinary meanings, I think there's enough to think the car has been "customised" and/or "modified". I appreciate these changes are largely cosmetic and maybe not as extensive as a car that had been performance enhanced. I also understand these are things that could be removed. But a change is still a change. It seems logical that the enhanced *appearance* of a car may itself increase the risk of theft. And if Tradewise just didn't want to cover significant, permanent changes, then I think that's what the policy would've said.

Tradewise has also pointed out Mr L's wheels as a further modification. Because in some of the pictures Mr L sent in, the wheels are different from those with the car's original branding. But I don't think it's something I need to look into further, given what I've said above about the features Mr L told Tradewise about from the outset.

Mr L is also unhappy with how his claim was handled. And I agree it took too long after Mr L spoke with Tradewise to go through the details of the claim. I've thought about the impact this had on Mr L – he's had to chase things up and send in more information than he needed to. But ultimately, I think the news that had the most impact on Mr L was that his claim had been turned down – and I don't think that disappointment would have changed significantly if he'd been told earlier. So I think the £75 Tradewise offered is a fair way to put things right.

my final decision

For the reasons I've explained, I don't uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 December 2017.

Emma Szkolar
ombudsman