

## **complaint**

Mr U has complained about how Tradewise Insurance Company Limited handled a claim on his taxi insurance policy.

## **background**

Mr U was involved in an accident. He didn't claim on his policy but asked an accident management company to help him recover his losses from the other side. The other party was a taxi driver. Although the accident management company initially helped him, its solicitors didn't think Mr U had a good chance of winning his case and didn't provide any legal assistance. So Mr U issued court proceedings himself.

The other driver's firm issued a counterclaim against him asking Tradewise to cover its repair and hire costs if Mr U lost the case. Tradewise agreed to cover those costs but Mr U didn't think the invoices the other driver provided were genuine.

The judge found Mr U at fault for the accident. Mr U said that, because Tradewise had agreed how much it would settle the claim for, he couldn't challenge those amounts in court. Mr U added that if he'd been allowed to challenge the invoices, he could have proved that its whole claim was false. So he complained to us.

The adjudicator didn't think that Tradewise's actions had put Mr U in a worse position in court. But she said that, if he wanted to claim on his policy, Tradewise should pay for the repairs to his car and for vehicle hire while it's being repaired. Mr U didn't think that was fair and asked for an ombudsman's 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. Having done so I'm going to partly uphold it.

In bringing his claim Mr U has made a number of points. But, I will focus on the central issues.

Mr U thinks the other driver's invoices weren't genuine and if Tradewise had investigated them the taxi firm wouldn't have defended Mr U's claim. But I think that's very unlikely. The company made a counterclaim against Mr U after he had begun court proceedings. There's no question that the taxi was damaged in the accident. Even if the damage was light, it would've required repair. So it's likely the company would want to recover those costs from Mr U.

Tradewise passed Mr U's comments about the company to its investigation team. But they didn't have any concerns. So I don't think Tradewise needed to look into the matter further. And I don't think it did anything wrong in agreeing to cover the company's losses if the judge decided Mr U was at fault.

Mr U thinks Tradewise's decision to agree those costs affected the judge's decision. And that if he could prove the invoices weren't genuine the judge would dismiss the rest of the company's evidence as being equally unreliable. But I don't agree.

As I understand it, Mr U's court claim was a two stage process. First the judge had to decide who was at fault for causing the accident. Second, after deciding that, the judge looked at how much the claim should be settled for.

When deciding who was at fault for the accident the judge said: "*the accident clearly was occasioned by the claimant* [Mr U]". The judge said Mr U had changed lanes without indicating and should have taken more care. That means the judge reached his decision about who was at fault based on how he thought the accident happened.

Having decided that Mr U was at fault the judge did go on to consider the other driver's repair invoices. He found them to be *valid*. And I don't think that Tradewise agreeing the amount to be paid, prior to the hearing, had any effect on the judge's decision

But, as Tradewise did provide insurance cover I think it's fair for it to pay Mr U's costs for repairs and vehicle hire subject to the terms and excesses of his policy, if he chooses to claim.

### **my final decision**

For the reasons set out above I partly uphold this complaint.

Assuming he wishes to claim on his policy, I require Tradewise Insurance Company Limited to settle Mr U's claim for car repairs and vehicle hire subject to the terms and conditions of his policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 20 May 2016.

Joe Scott  
**ombudsman**