

## **complaint**

Miss B and Mr H complain about the decision of Tradewise Insurance Services Ltd to reject a claim made against their motor trade policy, and about its handling of the claim.

## **background**

Mr H, a named driver on Miss B's policy, was involved in a car accident and made a claim, but they were unhappy with the following:

- Tradewise's decision to reject the claim and not accept Mr H's proof of trading.
- Their car being scrapped and disposed of and Miss B and Mr H only finding out after receiving a letter from the DVLA.
- The policy being cancelled by Tradewise.
- The way Miss B and Mr H were treated by Tradewise during the handling of the claim.

Tradewise offered Miss B and Mr H the salvage value of the vehicle, £611.63, and £250 for the errors it made. This was declined by Miss B and Mr H, as they want their claim to be met.

Our adjudicator recommended that Tradewise pay Miss B and Mr H £500 for the errors made and the £611.63 salvage value. He agreed with Tradewise's decision to decline the claim because he felt the proof of trading provided was not acceptable. Miss B and Mr H rejected the adjudicator's assessment and the complaint has been passed to me for a final decision.

## **my findings**

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

I will address each of the concerns raised by Miss B and Mr H under separate headings.

### ***Tradewise's decision to reject the claim and not accept Mr H's proof of trading***

Tradewise rejected Miss B and Mr H's claim because they had not provided sufficient proof of motor trading, which was a requirement under the policy they took out.

I have reviewed the information submitted by Miss B and Mr H, but the invoices and receipts do not show who the vehicles were sold to, or the full registration details. Miss B and Mr H were asked to provide their profit and loss account for the year the accident occurred, but were unable to provide this. Because of this, I am unable to conclude that there is proof of vehicle trading at the time of buying the policy or when the accident happened. Therefore, I am satisfied that Tradewise's decision to reject the claim was fair.

### ***the car being scrapped and Miss B and Mr H finding out after receiving a letter from the DVLA***

Miss B received a letter from the DVLA saying that another person had applied to register their details on the vehicle that was involved in the accident. Miss B contacted Tradewise and subsequently found out that their vehicle was scrapped in error. Miss B and Mr H found this discovery upsetting and distressing – it was not Tradewise's property to dispose of without appropriate consent.

Finding out that the vehicle was the property of another person was particularly upsetting for Miss B and Mr H as at that point they had no realistic prospect of getting their vehicle back. As such compensation is appropriate and in my view, based on all the circumstances, £500 fairly reflects the distress and upset experienced by having their property unfairly disposed of and also finding out from a third party at a point Miss B and Mr H could do little or nothing to get their vehicle back.

Tradewise should also pay Miss B and Mr H the salvage amount it received of £611.63 as that is the amount they were likely to have received had they kept the vehicle and sold it as 'scrap'. There is insufficient evidence that the vehicle was worth more than £611.63 in its damaged state and the vehicle now being on the road does not mean the salvage value is incorrect or the vehicle was worth more at the time.

The decision to write the vehicle off was fair as the engineer that inspected the car considered the vehicle to be un-driveable and uneconomical to repair (the estimated cost to repair the car was £2,224.60, with the trade value only being slightly higher). But Tradewise was not entitled to dispose of the car without Miss B's permission as it was her property. So the vehicle could have been sold by her and it is reasonable to assume she would have received a similar scrap value.

#### ***the policy being cancelled by Tradewise***

In May 2012 Miss B sent her broker a letter asking for her policy to be cancelled. As such, I am unable to conclude that Tradewise cancelled the insurance policy.

#### ***the way Miss B and Mr H were treated by Tradewise during the handling of the claim***

Tradewise made errors in its handling of Miss B and Mr H's claim, but I am not satisfied that the calls with Tradewise form part of these errors and were handled in a reasonable way.

#### **my final decision**

My final decision is to uphold this complaint in part.

I require Tradewise Insurance Services Ltd to do the following;

- Pay the salvage value of the vehicle £611.63 together with simple interest at 8% per year (less tax if properly deductible) from the date of claim to the date this amount is sent to Miss B (as she is the policyholder).
- Pay compensation of £500 (in total) to Miss B and Mr H for the distress and upset caused by the vehicle being disposed of.

Colin Keegan  
ombudsman