

## **complaint**

Mr E complains that Covea Insurance plc should pay his claim on his motor trade road risks policy.

## **background**

Mr E hit a third party vehicle in the rear. Mr E complained after Covea declined his claim because he had been driving a car with no MOT certificate.

The adjudicator recommended that the complaint should be upheld. She concluded that there was nothing wrong with the vehicle prior to the incident and the fact that it did not have an MOT was not relevant. She recommended that Covea should:

1. reconsider Mr E's claim for damage to his vehicle;
2. pay Mr E £100 for distress and inconvenience.

Covea disagrees with the adjudicator's opinion. It says the policy had a specific exclusion for a vehicle without a valid MOT. It also says that Mr E repaired his car before it passed an MOT.

## **my findings**

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

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I have seen the policy booklet. It includes the following:

*"We shall not be liable in respect of:*

*Exception 1- Use and Driving*

*'Any accident, injury, loss, damage or liability while the Insured Vehicle is being: ...*

*(g) driven in an unsafe, unroadworthy or damaged condition or does not have a valid MOT certificate when needed;"*

I have also seen a keyfacts ® policy summary. The summary does not highlight the requirement for insured vehicles to have a valid MOT when needed. But on its front page it says:

*"This Policy Summary does not describe all the terms and conditions of your policy, so please take time to read the policy document to make sure you understand the cover it provides."*

And the legal requirement for an MOT is well-known. So I am satisfied that Covea did enough to draw the policy term to Mr E's attention.

From the MOT history, I find that fourteen months before the accident, the car failed an MOT because its front tyres were worn. Two weeks later it passed a test at the same vehicle testing station (VTS). So I infer that the car had been fitted with new front tyres. The MOT certificate recorded nearly 92,000 miles.

That certificate expired about two months before the accident. So, on the face of it, the car needed another MOT certificate.

But Mr E says he was driving it on trade plates. And there is an exemption for such driving to and from a pre-booked MOT test.

The accident report form says:

*"Exact use and purpose of journey at time of incident  
Taking Vehicle For Valet Before Handing Vehicle Over To [buyer]..."*

*Incident Date  
12<sup>th</sup> June...*

*Full description of accident  
[policyholder] collided with the rear of [third party vehicle] as the sun was in his eyes".*

After the accident Covea's engineer recorded the mileage at nearly 101,000. He also recorded:

*"Brakes: Pedal Travel Acceptable"*

I infer that Mr E arranged repairs to be carried out – as six weeks after the accident a different VTS issued a new MOT certificate. Curiously, the MOT history says it recorded less than 93,000 miles.

The VTS also issued a duplicate copy of the previous MOT certificate. From that, I have seen the name of a workshop manager.

Mr E sent the adjudicator a short statement signed under the name of that workshop manager. It said that the car was booked in for an MOT test on 11 June. As that was the day before the accident, I consider that this is incorrect.

The statement also quoted a VTS number which – compared to the MOT history - contains the same characters but in a different order.

Mr E initially told Covea that he was taking the vehicle for a valet. The signed statement only emerged a year later – with errors. Therefore I find it unreliable and I am not persuaded that the car was exempt from the need for an MOT certificate.

I keep in mind the terms of the policy. But I also consider whether the lack of an MOT certificate was an indicator of unroadworthiness which was a significant factor in the accident.

I bear in mind the new tyres and the record of acceptable brake pedal travel, as well as Mr E's explanation that he was blinded by the sun. Therefore I am not persuaded that the lack of an MOT was a factor in the accident.

I conclude that Covea did not treat Mr E fairly and reasonably by declining his claim. I will order it to reconsider his claim and to pay interest at the usual rate on any payment it makes to him.

I do not doubt that Covea has caused Mr E some worry and put him to some trouble by a decision which I have found unfair. But I find it unlikely that he was left without a vehicle. And I consider that he should take some responsibility for the situation in which he found himself. Overall, I consider that £75 is fair and reasonable compensation for distress and inconvenience.

### **my final decision**

For the reasons I have explained, my final decision is that I uphold this complaint in part. I order Covea Insurance plc to:

1. reconsider Mr E's claim for damage to his vehicle;
2. pay Mr E simple interest at an annual rate of 8% on the amount of any payment it makes to him in respect of his damaged vehicle from 12 June 2012 to the date it pays him. If it considers it has to deduct tax from the interest element of my award, it shall send Mr E a tax deduction certificate when it pays him. He can then use that certificate to try to reclaim the tax, if he is entitled to do so.
3. pay Mr E £75 for distress and inconvenience.

Christopher Gilbert  
**ombudsman**