

## **The complaint**

Mr P complains that Tradex Insurance Company Limited would only pay a settlement of £10,000, less the policy excess, for the loss of his motorhome following a claim made on his commercial motor insurance policy.

## **What happened**

Mr P's motorhome was destroyed by fire, and he made a claim on his policy. But Tradex said the policy had a limit of indemnity of £10,000 for all but one specified vehicle on the policy. So it would only pay Mr P £10,000 less the policy excess for his loss. This was much less than the vehicle's value. Mr P was unhappy with this as he said he hadn't been told this and he said he had added the motorhome to his policy through the online portal and it hadn't been rejected.

Our Investigator didn't recommend that the complaint should be upheld. He thought Tradex had made it clear to Mr P that he could have only one vehicle on the policy with an indemnity of over £10,000. This was applied to another vehicle. So he thought Tradex had acted in line with the policy's terms and conditions.

Mr P replied that Tradex had allowed him to add the motorhome to his policy via its portal even though it was valued at over £10,000. He said it hadn't warned him of the limit of indemnity for the motorhome and that it was underinsured.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can understand that Mr P feels frustrated that Tradex would only pay him £10,000 for the loss of his motorhome which was valued at £35,000. He said that when he had added another vehicle that exceeded the limit of indemnity to the policy Tradex had called him and this had been included in the special endorsements in the policy. He said he didn't have a call when he added the motorhome and he assumed it had been added in the same way.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

I can see that Mr P's policy schedule includes a section stating that there is a Limit of Indemnity of £10,000 with the explanation that:

*"The vehicle limits stated are the maximum indemnity payable for any one vehicle or claim."*

There is one exception to this, and this is a specified vehicle listed under Special Endorsements.

Mr P contacted his broker to try and reduce the cost of his policy at renewal. And I've listened to this call. I think Mr P clearly understood that there was a £10,000 limit of

indemnity for the vehicles on the policy except for the one specified vehicle that was outside this limit. The agent explained to Mr P that the policy allowed for only one vehicle as an exception, for an additional premium, and Mr P said he understood. So I'm satisfied that the policy limits were clearly explained to Mr P before he renewed his policy.

Mr P later added the motorhome to the policy and this was valued at more than £10,000. And I agree that he wasn't notified at the time that this wouldn't be entirely covered by the policy. But I think the policy limit had been clearly explained to Mr P. And I think Mr P should have been reasonably aware that he hadn't paid an additional premium for this vehicle as he had done for the specified vehicle.

And so I'm satisfied that Tradex's settlement of Mr P's claim was made fairly and reasonably in keeping with the policy's terms and conditions. I don't require it to do anything further.

### **My final decision**

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 17 January 2024.

Phillip Berechree  
**Ombudsman**