

## The complaint

Mr M complains that Society of Lloyd's is responsible for mishandling his claim on a commercial vehicle insurance policy.

## What happened

The subject matter of the insurance, the claim and the complaint is a van with a weight under 3.5 tonnes. Mr M used the van in his courier business.

For the year from early August 2022, Mr M renewed a comprehensive policy for the van with a syndicate at Lloyd's.

On 6 May 2023, Mr M was driving the van towing a trailer carrying another similar van. Unfortunately there was an accident. No third party vehicle was involved. Police got a recovery company to recover the van and the trailer and the other van from the scene of the accident and take them to storage.

Mr M reported this to the syndicate. He later complained to the syndicate that it should cover the costs of the recovery and storage of the van and the trailer.

By a response dated 19 May 2023, the syndicate turned down the complaint. It said that it would only pay the costs for recovery of the insured van (£320.00) with a daily storage charge (of £26.00) but not the extra costs for the trailer and the other van.

The recovery company stored the vehicles for 14 days. Mr M paid an invoice for £1,024.00 for the recovery and storage of the van and the trailer and the other van. The recovery company then returned them from storage to Mr M's home address.

Mr M paid a second invoice for £1,260.00 for the delivery of the van, the trailer and the other van.

The syndicate said the insured van was a total loss. The syndicate paid Mr M its pre-accident valuation.

Mr M escalated his complaint to Lloyd's and included a complaint that the syndicate should reimburse him the invoice for £1,260.00.

By a final response dated 9 August 2023, Lloyd's said that – of the first invoice – the syndicate had agreed to pay £684.00 (£320.00 plus 14 x £26.00). The final response included the following:

*“However, due to an error by underwriters the total invoice amount of £1024 was paid, which means underwriters have overpaid you by £340.00. Underwriters have advised as this was their error they will not be looking to recover this amount.”*

Mr M brought his complaint to us in December 2023. He asked us to direct the syndicate to reimburse the £1,260.00.

### *our investigator's opinion*

Our investigator recommended that the complaint should be upheld in part. She thought that the policy covered the cost of moving Mr M's van (but not the trailer or the other vehicle) from storage to his home address. She recommended that Lloyd's should:

1. pay the same proportion of the second invoice as the invoice already paid. The overpayment can be deducted from this; and
2. add interest to the payment at 8% a year simple from one month after the claim until settlement.

Lloyd's disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint.

### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr M and to Lloyd's on 6 November 2024. I summarise my findings:

I wasn't minded that the policy covered any of the cost of the journey that was the subject of the second invoice. So I wasn't minded to find it fair and reasonable to direct the syndicate to reimburse Mr M for that invoice or any part of it.

Subject to any further information either from Mr M or from Lloyd's, my provisional decision was not to uphold this complaint. I didn't intend to direct Society of Lloyd's to do any more in response to this complaint.

Lloyd's acknowledged the provisional decision and had nothing to add. Mr M hasn't responded to the provisional decision. So I see no reason to change my view.

### **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.

Mr M sent us an extract headed "Towing". I find that the policy covered Mr M's liability to third parties while his van was towing. However, the policy didn't cover damage to the trailer or any property on the trailer (such as the other van).

The policy terms included the following:

#### *"Repairing your vehicle*

*If your insurance covers damage to your vehicle, we can talk you through the options for getting it repaired.*

*We'll take care of everything:*

- *If your vehicle can't be driven, we will arrange for roadside recovery*
  - *We'll collect the vehicle from you and deliver it back to you after the repairs*
  - *Repairs will be carried out by a garage in our approved repairer network, provided that's the best option for you*
  - *An expert claim handler will manage your claim for you*
- We want to get you back on the road as soon as possible.*

*...*

*Recovery and redelivery*

*After any claim under this section, we will pay the cost of moving your vehicle from the place where the damage happened to the premises of the nearest competent repairer. We will also pay the cost of delivering your vehicle back to you in the United Kingdom after repair."*

So the policy covered moving the insured van from the scene of the accident to the nearest competent repairer and delivering it back after repair.

Mr M could've asked the recovery company to take the damaged van to the nearest repairer. The repairer could've assessed the damage. If it had been repaired, Mr M could've asked the repairer to deliver the repaired van back to his home.

Instead, Mr M asked the recovery company to take the insured van, the trailer and the other van on the long journey from the scene of the accident to his home, before any assessment or repair of the van. I don't consider that the policy covered any of the cost of that (even the proportion of the cost related to the insured van).

I don't find it likely that the syndicate told Mr M it would cover the cost of that journey. And I don't consider that it's relevant that Mr M has said that the recovery company told him it would cost the same to have the van recovered to his home address with or without the trailer.

I give the syndicate credit for having agreed to pay a proportion of the first invoice (for recovery from the scene and for storage). I also give the syndicate credit for responding to its accidental payment of the full amount of that invoice by saying that it wouldn't ask Mr M to reimburse the balance of £340.00.

Overall, I don't consider that the policy covered any of the cost of the journey that was the subject of the second invoice, so I don't find it fair and reasonable to direct the syndicate to reimburse Mr M for that invoice or any part of it.

### **My final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Society of Lloyd's to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 December 2024.

Christopher Gilbert  
**Ombudsman**