

## **The complaint**

Mr B complains about MCE Insurance Company Limited's settlement of a claim after his motorcycle was stolen.

## **What happened**

Mr B has a motorcycle insurance policy with MCE. He made a claim after his motorcycle was stolen.

MCE initially declined the claim. They said Mr B had made a misrepresentation when he bought the policy when he said his bike was kept in a locked garage. It was kept in an alleyway with a locked gate.

MCE later accepted the options given to Mr B when he completed his application didn't include his circumstances and he had ticked the box relating to the closest option. So, they accepted the claim.

They then settled the claim proportionally, because Mr B hadn't declared in his application that he'd be using the bike to commute. This reduced the settlement figure by a very small amount (less than 3%). And Mr B has accepted that.

Mr B complained to MCE because he wasn't happy they'd taken an excess of £1,550 off the settlement figure. They paid him around £700.

MCE didn't uphold Mr B's complaint. They pointed out the excess had been clear when Mr B took the policy. Mr B wasn't happy with this and brought his complaint to us. He says he didn't understand that an excess would be applied if his bike were stolen when he bought the policy.

Our investigator looked into it and didn't think MCE had done anything wrong. Mr B disagreed and asked for a final decision from an ombudsman.

## **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.

There's a relatively simple question for me in making this decision – did MCE do enough to ensure Mr B was aware of the terms and conditions applying to his policy – and in particular, the amount of the excess – before he bought it?

If they did, then I can't say that they've acted in any way unreasonably or unfairly towards Mr B. If not, then Mr B can rightly feel aggrieved and could expect MCE to do something to put things right.

Mr B bought his policy through a price comparison website specialising in motorcycle insurance. I've been through the application process on that website to understand the experience Mr B had.

The website requires the potential customer to enter their details. As part of that process, the customer is invited to include an acceptable voluntary excess (in addition to any compulsory excess). This defaults to £500, but there is a drop-down option to change that value – which is immediately obvious.

Once all details are entered, the customer can ask the site to generate quotes from different insurers. The various quotes are then presented in a table. The first column lists the insurers. The second column states what the compulsory and voluntary excesses are on the policy being offered – and very clearly states a total excess. This isn't hidden, the excess column is prominent, and the descriptions are very clear.

When a particular quote is selected, the customer is taken to the insurer to confirm the purchase.

MCE have provided evidence to show that Mr B received an email from them after buying his policy via this route. They sent Mr B a policy schedule, a statement of fact and the policy document. Mr B had the option to cancel the policy within 14 days if he wasn't happy with any aspect of it.

The schedule sets out very clearly the details of the vehicle insured and the policyholder etc. It also has a section which sets out any special terms, endorsements or conditions which apply. This very clearly says "MCE2 - £1,550" applies to Mr B's policy.

The policy booklet states that MCE2 relates to the "Fire and theft excess". And it says MCE will not pay the first X amount of any claim – where X is specified in the schedule – if the motorcycle is stolen or damaged by fire.

So, taking into account Mr B's experience on the comparison website – where the excess was clearly specified - and the documents then sent to him by MCE, I think MCE have taken reasonable steps to ensure that Mr B was aware of the terms and conditions of his policy before he confirmed the purchase.

Mr B says he wasn't aware of the excess. I don't disbelieve him. But my decision has to be about whether MCE acted reasonably to make Mr B aware of the terms of the policy, not whether Mr B was *in fact* aware. And I'm satisfied they presented the facts to Mr B in an open, clear and reasonable fashion – with an option to pull out of the purchase if he wasn't happy with the terms.

Mr B says his first language isn't English – and something may have been lost in translation. But I don't think MCE could have been aware of that during the transaction. And I note that the comparison website quotes also gave – for each insurer – a phone number to call if the customer wanted to discuss and/or buy the policy over the phone.

In short, if Mr B didn't understand what an "excess" was, he had the opportunity to talk to MCE about that either before he accepted the quote on the comparison website, or after he'd received his policy documents from MCE and within the 14-day "cooling off" period.

### **My final decision**

For the reasons set out above, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 November 2020.

Neil Marshall  
**Ombudsman**