

The complaint

Mr M complains that Moto Broking Limited mis-sold a motorcycle insurance policy to him.

What happened

Mr M bought the policy on a price comparison website. A few days later his bike was written-off in an accident. He wasn't happy with the insurer's valuation of it (£2,200). Mr M thought Moto was at fault for that. His understanding when he bought the policy was that - should the bike be lost - the insurer would pay him the sum he'd set out online when asked to estimate its value (£4,985). He thought if he was mistaken, Moto should have informed him of that. Moto told Mr M it only administered the policy and had no part in the sale.

One of our investigators considered Mr M's complaint. He didn't think the policy had been mis-sold. He said there was no evidence that Moto had any contact with Mr M before the sale or that it had led him to believe the policy offered an agreed value for the bike. He pointed out that the policy documents made it clear that in the event of a vehicle's total loss, only its market value - or the sum shown in the schedule, would be paid – whichever sum was lower. The investigator noted that Mr M had had to agree to everything set out in the policy documents online before he was able to buy it.

Mr M didn't accept the investigator's view about the mis-sale. And he raised another issue that he'd complained about to Moto, which it had dealt with as a separate complaint. The investigator said we couldn't deal with that as part of this complaint. Mr M asked for a new complaint to be set up, but as he wanted the complaint about the mis-sale to be reviewed, it was passed to me.

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 don't think Mr M has provided any evidence that Moto mis-sold the policy to him. It gave him no advice and there were no calls between Mr M and Moto before he bought the policy.

Mr M was asked online to estimate the value of his bike. That's standard industry practice, so I'd be surprised if Mr M hadn't been asked previously to provide an estimate of any other vehicle he insured in the past. But asking a consumer to estimate what they think their vehicle may be worth doesn't mean an insurer will be tied to the valuation the consumer provides. I think there are obvious reasons for that - not least that some consumers will seriously overestimate their vehicle's value, whilst others may underestimate it. Most motor insurance policies only offer market value cover. Agreed value policies aren't common - and they normally cost more than market value policies.

Mr M may have misunderstood why the valuation question was asked – and it seems he *assumed* that he was buying an agreed value policy - but I don't think that's Moto's fault.

Before he was able to buy the policy, Mr M had to tick a box to say he agreed to the content of all the policy information that was available to him at that point. Even if a consumer decides not to read through all the documents, I think it's reasonable to expect them to read a short policy summary if one is provided, as it will contain all the policy's key facts.

In this case, on the first page of the policy summary, there's a section headed "*Are there any cover restrictions?*" which is in bold print and has an exclamation mark in red next to it. I think the section is sufficiently highlighted to indicate that there's essential information in it. Directly under the main heading, it says "*The most the insurer will pay for loss or damage claims, is the market value of your motorcycle at the time of the loss.*" I think that should have been enough to alert Mr M to the fact that he was buying a market value policy.

After buying the policy Mr M had access to the policy schedule. It says the market value will be payable in the event of the bike's loss - or the value shown in the schedule (Mr M's estimated value for the bike) "*....whichever is less.*" So Mr M had another chance to note the type of policy he had and what would happen should the bike be lost.

I don't think there was any way Moto could have known that Mr M believed he had an agreed value policy, so his expectation that it should have pointed out to him that he was mistaken is unrealistic, in my opinion.

As I don't think Mr M can show that he was misled by Moto about the type of policy he was buying and that it mis-sold the policy to him, I can't uphold his complaint.

My final decision

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 M to accept or reject my decision before 28 May 2021.

Susan Ewins
Ombudsman