

The complaint

Mr E complains that Zenith Insurance plc mishandled a claim on his motorcycle insurance policy.

Where I refer to Zenith or the insurer, I include claims-handlers and others insofar as I hold Zenith responsible for their acts or omissions.

What happened

Mr E had a scooter and a van. For the year from July 2020, he had the scooter insured (through an intermediary) with Zenith.

On 18 December 2020, he had left his scooter in a parking bay near his van and his home. He reported to police and to his insurer that he'd seen someone riding his scooter away without his consent.

On 10 January 2021, Mr E got his scooter back in a damaged condition. The insurer arranged an inspection. It said the scooter was damaged beyond economic repair.

The insurer wrote a letter dated 21 January 2021. It declined Mr E's claim as there was a policy term that the scooter was only covered for theft while parked near his home if it had been in a garage. The letter gave Mr E 14 days to arrange collection of his damaged scooter, after which it would be disposed of.

Mr E says he didn't receive that letter. He didn't contact Zenith within 14 days. So it disposed of his damaged scooter.

On 4 March 2021, Mr E contacted Zenith asking for an update. He complained to his insurer that he hadn't received the letter or any other communication that it had turned down his claim and proposed to scrap his scooter. He said Zenith shouldn't have scrapped it and should meet his claim. The insurer offered to pay him the salvage value of the damaged scooter.

By a final response dated late April 2021, the insurer turned down the complaint. It sent a cheque for £322.24 salvage value. On 24 May 2021, Mr E returned the cheque. He brought his complaint to us at that time. He added that Zenith should refund some of his premium.

Our investigator said that he was unable to consider the complaint about refunding premium. He didn't recommend that the complaint should be upheld in its other aspects. He thought that the policy term was clear and not misleading. He couldn't say that the insurer was required to do anything more to communicate with Mr E.

Mr E disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- He didn't receive the letter. The insurer should've done more to contact him.

- He wanted his scooter back.

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'm not persuaded that Mr E had claimed a premium refund or made a complaint to Zenith about that at the time that it wrote its final response. So I don't consider that I can or that I should deal with that aspect of his complaint in this final decision.

I've seen a statement of fact recording information in July 2020. That included the following question:

“Will the vehicle(s) be kept in a locked garage or out building over night?”

And that implied that the scooter only had to be kept in a locked building overnight.

But the Insurance Product Information Document included the following:

“Are there any restrictions on cover?”

...

! Cover is restricted as shown on your policy schedule

...

! Where you have stated your motorcycle is garaged, please refer to your policy schedule for any special terms”.

And the policy schedule included the following endorsement:

“R6 Garaging

While your motorcycle is parked at or in the proximity of:

- *Your private dwelling house, or*
- *Any other address where the motorcycle is usually kept if this alternative address has been specifically agreed by us.*

Cover for theft or attempted theft is restricted to loss or damage occurring while your motorcycle is in a locked private garage or outbuilding.”

So I find it clear that the scooter had to be kept in a locked building not only at night but whenever it was parked in the proximity of Mr E's home.

From what he's said, I find that Mr E's scooter was parked in a parking bay in the proximity of his home when the theft happened. And I don't find it likely that the theft would've happened if the scooter had been in a locked garage. So I don't find that Zenith treated Mr E unfairly by declining his claim.

I'm satisfied that the insurer posted the letter on 21 January to Mr E's correct address. Nevertheless, I accept that Mr E hadn't received that letter before he contacted his insurer in early March. As there may have been a problem with the post, I don't hold the insurer responsible for Mr E not receiving the letter. I'm satisfied that the insurer had done enough to communicate its decision on the claim.

The damaged scooter was still Mr E's property. But I'm satisfied that the insurer did enough to give him notice of its intention to dispose of it. So I don't find that Zenith treated Mr E unfairly by disposing of the scooter. In any event, the insurer sent Mr E a cheque for £322.24

for the damaged scooter, and he hasn't provided enough evidence to show that the damaged scooter had a higher value.

Overall, I don't consider that Zenith treated Mr E unfairly. I don't find it fair and reasonable to direct the insurer to pay any more or to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Zenith Insurance plc to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 15 December 2021.

Christopher Gilbert

Ombudsman