

The complaint

Mr V complains that Ageas Insurance Limited unfairly declined his claim for his stolen motorbike.

What happened

Two motorbikes were stolen from Mr V's garage, one of which was insured by Ageas.

Mr V contacted Ageas to make a claim. He told them he had CCTV footage showing the thieves forcing the garage door open and taking the bikes. He said they'd taken the ignition keys, which had been hidden in a sliding desk drawer.

Ageas said they wouldn't pay Mr V's claim because the key had been left in the garage with the bike. Mr V complained about this decision. He said that, following a break-in to his house, he'd decided it would be safer to keep the keys in the locked garage. He stressed that the key wasn't in the vehicle. But Ageas said their decision was fair and reasonable.

Mr V brought his complaint to our service. He said he wasn't aware of any policy requirements as to where the keys should be kept. He said both bikes had steering locks and had been in a locked garage, in line with the requirements of the policy. And that the CCTV footage had shown the thieves to have been in the garage for around ten minutes before they left with the bikes.

Our investigator thought that, as Mr V had been burgled before, he recognised the risk of someone entering his property, finding the key, and using it to steal his motorbike. She thought leaving the key in an unlocked drawer next to the motorbike had made it possible for the thieves to start the bike and drive it away. She said that, although another insurer had paid out for the other bike, she could only look at whether it was fair and reasonable for Ageas to decline the claim under this policy. She didn't think it was unfair for Ageas to say reasonable steps hadn't been taken to avoid and prevent a claim.

Mr V disagreed. He said he believed he'd taken adequate precautions by storing the motorbike in a locked garage that was attached to the house. He didn't think the fact that the keys were in a drawer made any difference to the thieves, as they'd already forced entry to the garage. He said they came with the intent to steal and wheeled the motorbike away. He felt there was always a risk of potentially making a claim, otherwise people wouldn't bother paying for comprehensive insurance. He asked for an ombudsman to review his case.

My provisional decision

I issued a provisional decision on 26 January 2022, in which I said:

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

The Financial Conduct Authority (FCA) sets out rules and guidance that financial businesses such as Ageas must follow. This includes a requirement not to unreasonably reject a claim.

But it wouldn't be reasonable to expect insurers to cover every eventuality – they're entitled to set out what cover they're prepared to offer. They're also entitled to expect policy holders to comply with conditions set out in the policy to reduce the risk, provided they're fair and reasonable. I've reviewed Mr V's policy wording in detail.

The first section of the policy explains the cover for loss of the vehicle. This makes it clear that Ageas will not pay for loss due to theft whilst the ignition keys have been left in or on the motorbike. Mr V's policy schedule sets out additional endorsements that apply. They say Ageas won't cover theft unless the motorbike is kept in a locked and secured building at the policyholder's home (or another address agreed by Ageas), with the immobiliser activated and working at the time of the loss. Mr V says he followed these requirements.

The policy booklet also sets out general conditions at page 23. These include a requirement for Mr V to take all reasonable steps to safeguard the motorbike from loss or damage. I've given careful thought to whether it was fair and reasonable for Ageas to say he hadn't met this requirement.

When considering whether the policyholder failed to take reasonable care, we adopt a similar approach to that taken by the courts. The appropriate test to be applied is one of recklessness. This means we'd look to see whether Mr V recognised that there was a risk in keeping his motorbike keys in the desk drawer in the garage - but did nothing to avert it.

Ageas have provided a copy of their claim notes, confirming they asked Mr V about the ignition keys. The notes say Mr V told them he'd previously kept the keys in the house, but the house had been burgled. And that this was why he'd decided to hide the keys in the garage. The evidence I've seen indicates that he chose this location because he believed it to be a safe place to keep them. I bear in mind the fact that Mr V's garage forms part of his house.

I appreciate that Ageas consider Mr V's decision to keep the keys in the garage to have been unwise. But I've seen no evidence to suggest Mr V recognised that this could increase the risk of his motorbike being stolen. And for that reason, I'm not persuaded that it was fair for Ageas to decide that he'd failed to take reasonable care of it.

I said that, based on the evidence I'd seen so far, I wasn't persuaded that Ageas could rely on failure to take reasonable care as grounds to decline Mr V's claim. I said I was minded to uphold the complaint and direct Ageas to:

- settle Mr V's claim for his stolen motorcycle, subject to the remaining policy terms;
- pay 8% simple interest on the cash settlement made, calculated from the date of the claim to the date payment is made.

I invited both parties to send me any further information or comments they'd like me to consider. Mr V said he accepted my provisional decision. Ageas didn't respond.

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.

As no new information or comments have been provided in response to my provisional findings, I see no reason to depart from them.

My final decision

For the reasons set out in my provisional decision, I uphold this complaint and direct Ageas Insurance Limited to:

- settle Mr V's claim for his stolen motorcycle, subject to the remaining policy terms;
- pay 8% simple interest on the cash settlement made, calculated from the date of the claim to the date payment is made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 24 March 2022.

Corinne Brown
Ombudsman