

The complaint

Mr B complained that Markerstudy Insurance Company Limited wouldn't pay his theft claim under his motorcycle insurance policy.

What happened

After Mr B's motorcycle was stolen Markerstudy refused to pay his claim. They said he'd failed to meet the policy conditions about his motorcycle's security at his home. Mr B accepted that his motorcycle wasn't in a garage or private locked building at the time of the theft but he said that wasn't deliberate. So he felt that it was unfair of Markerstudy to decline his claim.

The investigator didn't recommend that Mr B's complaint against Markerstudy should be upheld. He thought that Markerstudy had acted reasonably and in line with Mr B's policy terms. Mr B remained dissatisfied and so his case was passed to me to decide.

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.

The question is whether it was reasonable for Markerstudy to rely on their theft exclusion in the policy endorsement.

I've looked at Mr B's policy endorsement which says:

"728 Excluding Theft When Not In Private Garage

You have agreed that you will keep your vehicle in your private locked garage or building, at your home address, to which only you and anyone with your permission have access. If a theft or attempted theft of your vehicle happens at any time and within a 500-metre radius of your home address when the vehicle is not locked in this garage or building we will not pay the claim."

As the investigator has explained, this gives Markerstudy the right to decline a claim if the motorcycle was stolen when it was not locked in a private garage or building when it was at Mr B's home. This security can reduce the risk of theft, and so we don't think it's unreasonable for an insurer to require it, as long as the insurer makes it clear at the point of purchase.

The endorsement is included on the policy schedule. The policy's *"Important Customer Information"* section directs the policyholder to read the policy schedule. And page 9 of the policy says that cover is subject to any endorsement shown on the policy schedule. So I think that the policy documents did highlight the endorsement when Mr B bought the policy. They made it clear that theft cover was excluded unless his motorcycle was secured as the endorsement required. Mr B knew that his motorcycle should be secured in that way, and said he did normally keep it in his shed.

Mr B's motorcycle was stolen from his garden at night. Mr B accepts that when it was stolen he hadn't complied with the policy's security requirement. But he said he didn't intend that. So he didn't think it was fair for Markerstudy to rely on the exclusion.

Mr B said as follows. He kept his motorcycle in a metal shed overnight. But when he worked on it he did that outside the shed, in his garden. This was because there wasn't enough room to do that inside his shed as he had some medical conditions and the shed was too cramped. On the date of the theft he was working on his bike in his garden until about midnight. He went inside to order motorcycle parts on his laptop, but he fell asleep in the sitting room. The back door in the kitchen was open. His motorcycle was secured with chains and the garden gate was secured too. When he woke at 3am he discovered that his motorcycle had been stolen. The thieves had cut through the locks and chains.

Mr B said that he was a pensioner with health problems, his motorcycle was his pride and joy and he had never claimed on the policy before. He felt he'd taken every reasonable precaution to ensure that it was secure. But Markerstudy thought he should have put it back in the shed before he went indoors.

I do see that it must be very frustrating for Mr B for his much-loved motorcycle to have been stolen in this way and recovered damaged. It was a very unfortunate event, and I can see why he is upset by it and by the business's decision. But I have to look at whether Markerstudy have done anything wrong, and for the reasons I've said above, I don't think that they have .

I think that Mr B hadn't complied with the policy endorsement at the time of the theft. This meant the motorcycle was not secured as Markerstudy had required and Mr B had agreed. Even if that happened because of Mr B's mistake, I don't think that it was unreasonable for Markerstudy to rely on their theft exclusion in the policy endorsement. And so I think that Markerstudy were entitled to reject his claim. Although I know that it will be disappointing to Mr B, this means that I don't ask Markerstudy to do anything else.

My final decision

For the reasons I've discussed above it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 February 2023.



Rosslyn Scott
Ombudsman