

## The complaint

Mr E complains that Ageas Insurance Limited mis-recorded a claim on his motorcycle insurance policy.

Part of this complaint concerns the actions of an engineer. In my decision, acts or omissions of the engineer may be referred to as acts or omissions of Ageas, insofar as I hold Ageas responsible for them.

## What happened

The subject matter of the claim and the complaint is a powerful motorcycle, first registered in 2010.

For the year from 12 June 2018, Mr E took out a comprehensive bike policy with Ageas. He was the policyholder. The policy also covered his son as a named rider.

Unfortunately in early February 2019, the bike was damaged in an accident.

In early March 2019, Ageas considered that the bike was a total loss in salvage category B. That meant that the bike was unsuitable for repair, but usable parts could be recycled. Ageas recorded that category in a marker on the Motor Insurance Anti-Fraud Theft Register ("MIAFTR").

In late March 2019, Ageas said that Mr E's policy had been void from the start, so it wouldn't meet his claim for the value of the bike.

Mr E complained to Ageas in March or April 2019. By a final response dated May 2019, Ageas said Mr E had been "fronting" for his son, who was the registered keeper of the bike – and who had passed his motorcycle test on the day Mr E had taken out the policy.

Mr E kept the damaged bike and repaired it.

About three years later, on 22 March 2022, Mr E made a written complaint to Ageas. He complained that Ageas had no right to record a marker against his bike and that he'd just heard from DVLA that he shouldn't use it on the road.

Mr E contacted us on 22 March 2022. After allowing time for Ageas to respond, we began to investigate.

Our investigator didn't recommend that the complaint should be upheld. She didn't think that Ageas had acted incorrectly.

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

- Ageas have illegally written off his vehicle.

- He had arranged for an independent inspection of the bike in early February 2023.
- But he now thinks it would be pointless and would cost him another £500.00.
- The vehicle has passed comprehensive MOT tests for the last 5 years.

### **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 Mr E said he was arranging an inspection and report, we gave him time for that. But it's now clear that no such further evidence will be available.

I've taken into account the relevant law, regulation and good practice. Above all, I have to decide what's fair and reasonable, as that's the role of the Financial Ombudsman Service under Financial Services and Markets Act 2000.

Not all vehicle write-offs result in the insurer taking possession of the vehicle. For example, the insurer may agree to let the policyholder keep (or "salvage") the damaged vehicle.

Not all write-offs result in the insurer destroying the damaged vehicle. For example, the insurer may sell the damaged vehicle to a salvage company for resale and repair.

The ABI Code of Practice for the Categorisation of Motor Vehicle Salvage was revised in 2017 and (after the events in question) in November 2019. I don't consider that the 2019 revision is applicable or would've made any difference to Mr E.

The bike passed an MOT test in April 2018. DVLA issued a new V5 in early May 2018. So I find it likely that's when Mr E's son acquired the bike.

In early March 2019, Ageas was categorising the damaged bike for salvage. So I consider that the ABI Code of Practice applied. The categories were as follows:

A Scrap

B Break

S Repairable structural

N Repairable non-structural

For vehicles in category A, there was a requirement for the whole vehicle to be crushed.

For vehicles in category B, there was a requirement for the structural framework (bodyshell/ frame/chassis) to be crushed in its entirety without any structural components being removed.

Motorcycles couldn't be in category S.

Vehicles in category N could be repaired.

The Code of Practice included the following:

*"4.0 DISPUTES*

*In the event of a dispute between the insurer/ self-insured and other interested*

*parties regarding categorisation, the matter should be escalated to an appropriately qualified person who assumes responsibility for the final decision. Where two MIAFTR entries have been made by different insurers/ self-insured in respect of the same vehicle/ incident, the entry made by the insurer/ self-insured that settles the claim should take precedence. The nominated appropriately qualified person making the final categorisation assumes responsibility for the final decision. However where duplicated entries indicate different salvage categories, the insurer/ self-insured awarding a more severe salvage category is entitled to seek substantiating evidence (from other interested parties as appropriate) before amending their MIAFTR entry. MIAFTR entries for all previous accidents must be retained.*

#### **5.0 DVLA/ MIAFTR NOTIFICATION**

*A MIAFTR entry must be completed in respect of all categorised vehicles, indicating the salvage category as soon as reasonably practical after the inspection.*

*Completing a MIAFTR entry meets the regulatory requirements for insurers/ self-insured to notify DVLA under the Road Vehicles (Registration and Licensing) Regulations 2002.*

*It is essential that notifications to MIAFTR are made properly and that amended/ updated information is submitted within two working days of the final decision”*

So the Code of Practice said that any dispute about categorisation could be escalated to an appropriately qualified person for a final decision.

Incidentally, the Code of Practice also said that MIAFTR entries for all previous accidents must be retained. In its context, I think that meant accidents previous to the accident for which the MIAFTR entry was being amended.

The Code of Practice said that a MIAFTR entry must be completed in respect of all categorised vehicles, indicating the salvage category as soon as reasonably practical after the inspection.

Ageas had arranged an inspection of Mr E's damaged bike and the engineer had categorised it as "B". So I don't consider that Ageas did anything wrong by making a MIAFTR entry to that effect.

Mr E was expecting to keep the damaged bike at the cost of a salvage deduction of about £700.00.

From the emails at the time, I see that Mr E stripped all parts off the frame and allowed a salvage agent to collect the frame for destruction. From that, I'm satisfied that Mr E was aware that Ageas had said the damaged bike was in category B, so the structural frame of the damaged bike had to be crushed, but he could keep the other parts.

Ageas declined to pay the claim after all. From an Ageas file note dated 27 March 2019, I find that Mr E didn't think that he would get the frame back. The note includes the following:

*“... due to CAT B it wouldn't be allowed back on the road anyway and he couldn't retain.”*

From what he's said, Mr E did get the frame back from the salvage company.

I don't consider that Ageas could destroy the bike or dispose of it as waste. So I don't consider that it had to issue any certificate or notice in those respects.

I can see why Mr E believes that - as Ageas didn't pay the claim - it was wrong to maintain the record that his bike was in category B.

However, the engineer had said the bike was in category B. I've found that Mr E knew that. If he disagreed with that, Mr E could've provided any engineering evidence to show that the bike wasn't in category B but should've been in category N. He could've escalated the dispute to an appropriately qualified person to obtain a final decision. There's no evidence that he did so.

From what he's said, Mr E rebuilt the bike. And it's a matter of public record that the bike passed an MOT in September 2020. In my view, that doesn't show that the bike hadn't been in category B in March 2019.

I've found that Mr E was aware in 2019 that Ageas had said the damaged bike was in category B. And – after his repair – he still didn't contact Ageas about disputing the categorisation or obtaining a final decision from an appropriately qualified person.

So I don't conclude that Ageas treated Mr E unfairly by making or by maintaining the MIAFTR entry. I don't find it fair and reasonable to direct Ageas to pay compensation to Mr E or to do any more in response to this complaint.

Incidentally, It's a matter of public record that the bike hasn't been through an MOT test since the last MOT certificate expired in September 2021.

### **My final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Ageas Insurance Limited 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 2 April 2023.

Christopher Gilbert  
**Ombudsman**