

The complaint

Mr K has complained about West Bay Insurance Plc. He isn't happy that it turned down a claim under his motorbike insurance and the way it dealt with his claim generally.

I've referred to West Bay in this decision for ease, although I realise Mr K dealt with West Bay's claim handling agent and they issued the final response on his complaint on behalf of West Bay.

What happened

Mr K's motorbike was stolen from outside his home address and he made a claim under his insurance policy. The bike was stolen recovered, but it was written off because of the damage caused to it. However, when West Bay looked into the circumstances surrounding the theft it turned down the claim. This was because Mr K's bike wasn't secured in his secure shed/garage area which was a requirement of the policy.

As Mr K wasn't happy about this and the way West Bay dealt with his claim he complained. It acknowledged a number of failings in the way it dealt with the claim, but West Bay thought that it acted reasonably in declining the claim as his bike wasn't stored in line with an endorsement on the policy. It offered a total of £425 in compensation for a number of failings including the customer service issues Mr K faced during the decline of the claim (£75); the fact it lost his motorcycle keys and documentation when it returned his bike (£200) plus any costs incurred in gaining replacement documents; and £150 for a delay in reinstating Mr K's no claims bonus (NCB). But as Mr K remained unhappy he complained to this Service.

Our investigator looked into things for Mr K but didn't uphold his complaint. Although she sympathised with the position Mr K had found himself in following the theft of his bike she didn't think West Bay had done anything wrong when it turned down his claim in line with the policy. And she thought it had acted fairly in offering £425 compensation for the errors it had made in dealing with Mr K's claim.

As Mr K didn't agree the matter has been passed to me for review.

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 have a great deal of sympathy for the position Mr K has found himself in as he has been the victim of theft here. However, I have to be fair to both sides when I consider complaints. And in this instance I don't think West Bay did anything wrong when it turned down Mr K's claim. I'll explain why.

Mr K had returned home late at night and parked his bike outside his home address as he intended using it the following morning. And when he had finished eating he noticed the bike was missing so he reported the theft to the police and his insurer. But Mr K's policy has an endorsement (E434) which is clearly outlined in the policy documentation which says theft is

excluded at his home address when it isn't kept securely in his private locked garage or building. The endorsement makes it clear that any theft within a '500 metre radius' of his home address when the vehicle is not locked in the secure area wasn't covered, although the bike was covered when he was away from his home address.

So, despite my natural sympathy for the position Mr K has found himself I can't say West Bay have done anything wrong in following the policy terms and endorsement in this case. Most motorbike insurers have similar exclusions in place as they wish to ensure theft of any motorbike is difficult and they wish to limit their risk. And bikes can easily be lifted and stolen if not secured properly which is why they have such limitations of cover in place. Indeed, I note Mr K has other bikes and additional security measures in place in his secure shed/garage and it would have been far more difficult for a thief to take his bike if he had secured it in line with the policy endorsement – which is why West Bay has the endorsement on the policy.

Turning to the level of service West Bay has provided it is clear that it got a number of things wrong in the way it dealt with Mr K's claim including the customer service it provided; the delay in returning his NCB; and especially the way it handled the return of his bike. It must have been very stressful for Mr K to have had his bike returned, following the decline of his claim after being stolen, to find that West Bay had lost all his paperwork and keys. However, I think West Bay's offer of £425 compensation in acknowledgement of the difficulties it caused Mr K seems fair in addition to ensuring it pays any costs Mr K incurs in getting all his supporting documentation and keys back in order.

Given all of this I can't conclude that West Bay has acted unreasonably here as it simply followed the policy terms and conditions in turning Mr K's theft claim down. And its offer of £425 (total) compensation for the various failings it made in dealing with the claim seems fair.

My final decision

It follows, for the reasons given above, that I think West Bay Insurance Plc has acted reasonably here. I'll simply leave it to pay Mr K £415 compensation if it hasn't already and to advance any additional costs Mr K incurred in relation to its loss of his keys and documentation with him directly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 September 2023.

Colin Keegan
Ombudsman