

The complaint

Mr R complains about the settlement he received from West Bay Insurance Plc after he made a claim under his motorcycle insurance policy.

West Bay is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As West Bay has accepted it is accountable for the actions of the agents, in my decision, any reference to West Bay includes the actions of the agents.

What happened

In mid-2023, Mr R made a claim under his motorcycle insurance policy with West Bay after his motorcycle was damaged in an accident.

West Bay arranged for the vehicle to be inspected by an engineer who deemed it a total loss. West Bay offered Mr R a settlement of £5,790 (minus the policy excess).

Mr R raised concerns with West Bay as he didn't think its valuation of his motorcycle was fair. West Bay maintained its position. So, Mr R asked our service to consider the matter.

Our investigator didn't think Mr R's complaint should be upheld. She thought West Bay had settled the claim fairly and reasonably, in line with the policy's terms and conditions.

Mr R disagreed with our investigator's outcome. He provided screenshots of motorcycles he'd seen advertised online. He said there was a big difference in value between his motorcycle and another model. He said the values in the adverts were from real world examples and he felt they were more representative of the market value. He also commented that he hadn't been able to make a complaint to West Bay as it claimed it had already dealt with the issue. So, the complaint has been 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.

Having done so, I've decided not to uphold Mr R's complaint. I'll explain why.

The policy's terms and conditions say:

“The most the insurer will pay is:

- the vehicle's market value immediately before the accident or loss (including its spare parts, accessories and modifications, that were disclosed to us prior to the inception of the policy); or*
- the value shown in the schedule, whichever is lower.”*

“Market value” is defined as “the cost of replacing your vehicle with one of the same make, model, year, mileage and condition at the time of loss.”

West Bay's engineer's report shows he used three industry trade guides to assess the pre-accident market value of Mr R's vehicle. These provided valuations of £5,790, £5,519 and £5,612. It based its settlement offer on the highest value shown. We've carried out our own checks of the trade guides and the highest value we could see was £5,612.

Mr R has raised concerns that West Bay's valuation was based on a different model of motorcycle than his (which ends in R). However, the searches were completed using the registration number of Mr R's vehicle, and 'R' is showing on screenshots of the valuations I've seen. So, I'm not persuaded that West Bay based its valuation on the incorrect model.

I think it's reasonable for the market value to be assessed as the retail price Mr R was likely to have to pay for a comparable vehicle at a reputable dealer. The fairest way of doing this is by using the standard industry guides. These are based on extensive national research of likely selling prices. They can provide valuations based on the make, model, age, condition and specification of a vehicle.

Mr R has provided an advert for the model of his vehicle as well as several adverts for the model without the 'R'. Our service doesn't normally use adverts to decide whether a valuation is fair. This is because vehicles can end up being sold for lower than they were advertised. And differences in mileage or year of registration can have a big effect on the value of the same model of vehicle.

Mr R says he was deprived of the opportunity to submit evidence because West Bay dealt with his request to have the valuation of his motorcycle reconsidered as a complaint. However, I'd like to reassure Mr R that I've considered all of the information he's provided including the adverts he submitted after our investigator issued her outcome.

I appreciate my answer will be disappointing for Mr R, but I'm satisfied that the settlement West Bay paid Mr R was fair and reasonable, in line with the policy's terms and conditions.

My final decision

For the reasons I've explained, I don't uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 26 October 2023.

Anne Muscroft
Ombudsman