

The complaint

Mr B complains about the amount Ageas Insurance Limited paid him following a claim on his motorcycle insurance policy.

Reference to Ageas includes its agents.

What happened

Mr B holds a motorcycle insurance policy with Ageas. When his bike was stolen he made a claim to Ageas.

Ageas accepted the claim and offered Mr B £7,000, minus the policy excess to settle it. It said this represented the market value of his bike, and the most it was obliged to pay for any claim.

Mr B didn't think this was fair, he thought his bike was worth more and complained to Ageas. Ageas didn't change its offer, so, Mr B brought his complaint to us.

One of our Investigators initially recommended Ageas increase its settlement to £9,500. Mr B agreed to this, but Ageas didn't. So, our Investigator reviewed the complaint and thought a fair offer would be to value Mr B's bike at £8,000 – the amount Mr B said it was worth when taking out the policy.

Ageas agreed to this, but this time Mr B didn't. He thinks his bike is worth more due to the original parts on the bike and the condition it's in. Mr B asked for an Ombudsman's decision, so, the case has come to me.

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'm upholding it. I'll explain why.

- Mr B's policy says the most it will pay for any claim is the market value of his bike. It defines market value as *"the cost of replacing [his bike], including accessories and spare parts, with another of the same make, specification (for example, the level of equipment found in [his bike]), model, age, mileage and condition as [his bike] just before the loss or damage you are claiming for."*
- Determining the market value of any vehicle isn't an exact science. Usually, we'd use a number of trade guides as well as considering any evidence either party provided us to determine whether Ageas' offer was fair. But here, due to the age of Mr B's bike, none of the guides produced a value.
- Ageas' engineer valued Mr B's bike at £7,000. This was based on it having no MOT and not being in the highest condition.

- But as our Investigator pointed out, there was no need for Mr B's bike to have an MOT. They also thought it unfair to deem Mr B's in any condition other than 'good' without evidence.
- Adverts have been provided by both parties in this case. But all vary in one way or another from Mr B's bike. There's no close comparison.
- I acknowledge the difficulty in determining a fair value here. I think a reasonable settlement is to settle the claim on that basis that Mr B's bike is worth £8,000. This is the amount listed in the schedule – indicating this is what Mr B thought his bike was worth when taking the policy out less than a year before the loss. And while the amount listed on the schedule isn't always an indicator of the vehicle's worth, it's helpful evidence in this particular case in the absence from the trade guides and the variation of the advertised bikes. It's not out of line with most the adverts provided – so I'm persuaded it's a reasonable offer.
- I take on board Mr B's points about the value increasing, and of the mileage of bikes not necessarily being accurate. But I'm not persuaded he's shown this to affect the market value of his bike. Based on all the available evidence, I'm satisfied £8,000 is a fair offer.

Putting things right

I can see Ageas offered Mr B £7,000 minus the policy excess to settle his claim, and I can see they offered him an interim payment. What I can't be sure of is whether that offer was taken up by Mr B.

So, to settle Mr B claim, Ageas should do so on the basis that his bike was valued at £8,000. If it's not paid Mr B anything, it's entitled to deduct the excess from this figure. If it's already paid Mr B the interim payment and applied the excess, then it should pay the difference between its original £7,000 valuation, and the £8,000 valuation I feel is a fairer reflection of the market value.

Because an interim offer was made, as we'd expect it to have been, I only require Ageas to pay interest on the £1,000 difference between the two valuations. Interest should be simple interest at a rate of 8%. It should be calculated from the date it made its interim offer, to the date it pays Mr B this settlement.

My final decision

For the reasons set out above, I uphold this complaint. To put things right, I require Ageas Insurance Limited to:

- Settle Mr B's claim on the basis the market value of his stolen bike is £8,000. It's entitled to deduct anything it's already paid from this settlement.
- Pay Mr B an amount equal to 8% simple interest on the £1,000 difference in valuations. The interest should be calculated from the date Ageas offered the interim payment, to the date it makes this payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 March 2024.

Joe Thornley

Ombudsman