

## **complaint**

Ms G complains that MCE Insurance Company Limited insisted on her paying the full amount due for the year on her motorcycle insurance policy after the bike was written-off.

## **background**

Ms G's bike was stolen in January 2016, the day after she bought it. As it wasn't recovered MCE paid her £400 for it, minus her policy excess. At first Ms G wasn't happy with the sum she received, but later accepted it. Ms G didn't think MCE was due any further sum from her in payment for the policy as it was no longer in place.

Our adjudicator explained that MCE was entitled to the full annual premium for the bike since Ms G had made a claim that it had honoured. He pointed out that the policy clearly set out that premiums would remain payable if there was a total loss settlement. Ms G said she hadn't seen the policy documents, but MCE was able to show they'd been sent to her.

Ms G didn't accept the adjudicator's view. She said MCE were taking money for nothing, which she thought was fraudulent. She pointed out MCE hadn't responded to her complaint initially and thought it owed her all the premium payments it had taken since the bike was taken, amounting to £150.

As there was no agreement, the complaint was passed to me for review.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As the adjudicator pointed out, MCE was entitled to the full premium payment for the year. Any other insurer would have acted in the same way. That's because the full annual payment is the charge MCE made for covering all the risks that might affect the bike, including theft. MCE paid Ms G the bike's value, which is what it was required to do. Ms G was required to do what she agreed when she took out the policy, which was to pay the full premium.

If Ms G *hadn't* made a claim on the policy and had cancelled it part way through, she'd only have been charged for the time the bike was covered. But she *did* make a claim, which MCE paid. As Ms G was due to pay the premium in instalments, I think it was fair and in line with the policy for MCE to take further premium payments after the bike was no longer on cover.

I don't agree that MCE has taken money from Ms G for nothing or that it's acted unreasonably in relation to the premiums. But I can see that it didn't respond quickly to Ms G's concerns. I don't think this was the central issue in her complaint to us, but I agree that MCE's service was lacking, as it seemed to have mislaid Ms G's emails.

MCE's accepted that its error caused a delay in dealing with Ms G's complaint. As a result, it charged her £200 for her policy excess, not the £250 that was due. It also apologised that she'd had to make a complaint. I appreciate that £50 is a modest sum, but I think MCE made a reasonable attempt to deal with the issue.

**my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 23 September 2016.

Susan Ewins  
**ombudsman**