

complaint

Mr J has complained about the amount MCE Insurance Company Limited has paid to settle his motorcycle insurance claim.

Mr J also told us he is unhappy with the service he received on the claim, but he's now told us he doesn't want us to consider this.

background

Mr J's motorcycle was stolen in April 2017 and he made a claim under his insurance policy with MCE. It investigated the claim and based its settlement offer on a pre-accident value for Mr J's motorcycle of £3,750. Mr J wasn't happy with this and sent some evidence for MCE to consider. It then increased its offer based on a revised valuation of £4,311. Mr J wasn't happy with this and asked us to consider his complaint.

Our investigator considered Mr J's complaint. She explained that she felt MCE's settlement was fair because it was based on a reasonable pre-accident value.

Mr J has asked for an ombudsman's decision, as he still doesn't feel MCE's settlement offer is fair. He's pointed out MCE has made a deduction because his motorcycle's service history wasn't in line with the manufacturer's recommendations, which he thinks is inappropriate.

my findings

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 it.

I appreciate Mr J feels very strongly that MCE's pre-accident valuation of his motorcycle is wrong. In addition, he's mentioned what he describes as the "insured value" several times in support of his argument. So I think it would helpful if I started by explaining there is no such thing as an insured value under his policy with MCE. The value he gave for his motorcycle when he took out his policy with MCE was his estimate of the value at the time. And it's not the amount MCE guarantees it will use to work out its settlement offer if his motorcycle is written-off or stolen.

And I doubt MCE used this value to work out the premium it charged. It's actually more likely that it used the value given by the trade guides at the time Mr J took out the policy. Also, the value of the motorcycle is only one of several factors MCE takes into account when deciding the premium.

Mr J's policy says that in the event of a claim the most MCE will pay the 'claim value' of his motorcycle immediately prior to the loss. This is defined as the cost of replacing the motorcycle with one of the same, make, model, age and condition. And we take this to mean the retail market value immediately prior to the loss. The best way to establish this is to look at the trade guides, as these are based on the likely selling prices of similar motorcycles. We do take into account adverts and other evidence, but we place most weight on the guides.

The pre-accident retail values of Mr J's motorcycle in the guides are lower than the value MCE used to work out its second offer and it's clearly placed a lot of weight on the adverts Mr J's provided. In view of this, I think the pre-accident value it's used is more than

reasonable. I appreciate it has made a deduction because the motorcycle had not been serviced in accordance with the manufacturer's recommendations, but this doesn't alter the fact that the value it's actually used is more than reasonable.

This means, whilst I appreciate Mr J doesn't agree, I think the offer MCE has made in settlement of his claim is fair. Therefore, it's not appropriate for me to make them pay him more than this.

my final decision

For the reasons explained above, I've decided not to uphold Mr J's complaint about MCE Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 23 October 2017.

Robert Short
ombudsman