

complaint

Mr F has complained that MCE Insurance Company Limited didn't treat him fairly when he claimed on his motorcycle insurance policy.

background

Mr F's bike was stolen and he claimed on his policy. MCE said that because his bike wasn't garaged overnight, as his policy required, it would double his excess. It added that Mr F also hadn't declared a previous claim, so it would charge him an additional premium of around £102. It said that after deducting those amounts Mr F wasn't due anything in settlement of his claim.

Mr F didn't think that was fair and brought his complaint to us. Our investigator thought that MCE had dealt with Mr F's claim fairly. Mr F didn't agree so his complaint's been passed to me to decide.

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'm not going to uphold it.

When Mr F took out his policy he said that his bike would be garaged overnight. But on the night of the theft, because his garage was undergoing repairs, the bike wasn't in it. And Mr F's policy says that if the bike's stolen near to the garage, but isn't in it, then it will double the excess and add a charge of £110. I've seen that this term is included in the policy's key facts. And Mr F ticked a box to say that he'd read the key facts before he bought the policy online. So I think he should have been aware of it. And in those circumstances, I think that it was fair for MCE to apply the policy terms and double Mr F's excess and add an extra charge of £110 when calculating what, if any, settlement was due.

MCE valued Mr F's bike at £1,846.50. But twice his excess plus £110 charge was £1,860, which was clearly more than the amount it would have paid to Mr F. MCE said it would waive the £110 charge. But added that, as Mr F hadn't told it about a previous theft claim when he applied for the policy online, it would charge him the extra premium it would have charged if it had been aware of the theft claim, of around £102. So it deducted that from the settlement which still meant that there was nothing to pay to Mr F. While it's not clear to me why MCE chose to waive one additional sum to simply replace it with another, the outcome for Mr F is the same in as much as it meant MCE didn't owe Mr F anything in order to settle the claim for his stolen bike. And in those circumstances, I think MCE has reached a fair conclusion to Mr F's claim.

my final decision

For the reasons set out above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 13 January 2020.

Joe Scott
ombudsman