

complaint

Mr C has complained about MCE Insurance Company Limited. He isn't happy with the value it has placed on his bike following a claim under his motorcycle insurance policy.

background

Mr C bought a brand new bike in June 2018. Unfortunately it was stolen within a few days of buying it having only done a few miles. MCE dealt with the claim and paid Mr C the market value of his bike. But as this was about £1000 less than he paid for it Mr C wasn't happy.

So he complained to MCE and then this service. Our adjudicator looked into things for him and upheld his complaint. She didn't think that MCE's offer was fair. This was because it had only been able to rely on one valuation guide in forming its view and so she felt that the fairest thing to do was to consider the bike's value from the time it was first purchased, three days before the theft.

As MCE didn't agree the matter has been 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. Having done so I think that the complaint should be upheld. And I'd like to explain why.

Although I can understand MCE's position, and I don't think that it has acted unreasonably, but its valuation of Mr C's bike creates an unfair outcome in my view.

Mr C bought his bike just a couple of days before it was stolen. And he'd hardly done any miles on the bike at the time of theft.

I can see that MCE has tried to act reasonably here in how it has valued the bike. But it has only been able to provide a valuation from one guide when ordinarily it would expect to rely on a few. I can't hold MCE responsible for the guides not providing valuations but I expect this is because the bike is so new.

So, the strongest evidence we have in relation to the bike's valuation is from the time Mr C purchased it. As such, I think the fair and reasonable thing to do, in the particular circumstances of this case, is for MCE to pay Mr C the purchase price of his motorcycle.

my final decision

It follows, for the reasons outlined above, that I uphold this complaint. I require MCE Insurance Company Limited to pay Mr C the value he paid for the bike (£8,599) less his excess. And 8% simple interest from the time of the theft to the date of payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 2 February 2019.

Colin Keegan
ombudsman