

complaint

Mr L complains that Markerstudy Insurance Company Limited didn't pay him enough when he made a claim on his motorcycle insurance policy for his stolen motorbike.

background

Markerstudy offered Mr L £2,800 for the bike, less his policy excess of £400. It also deducted 20% of its value, as the bike was a total loss in 2016. Mr L said the bike was worth much more. He said he had an agreed value policy for £9,000. He said he didn't know the bike had been written-off in a previous accident. Mr L also thought the value of modifications he'd made to the bike hadn't been noted. Later on, he said he'd accept £6,000 for it.

Our investigator said the policy only provided for a *market value* sum to cover the loss of the bike. He thought Mr L must have known the bike was a total loss, as he owned it when that happened. He noted that Markerstudy had relied on national trade guide valuations - *plus* the prices of bikes it thought were similar to Mr L's bike. The investigator found nothing to show Mr L had reported making any modifications to the bike. But he said Markerstudy was still willing to consider any further evidence from him on that issue.

Mr L didn't accept the investigator's view. He asked for a review of his complaint by an ombudsman. He also provided a link to a website for the ombudsman's attention.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I don't think it should be upheld.

Mr L has made a separate complaint about his broker. The details on that file confirm that he *didn't* have an agreed value policy. When he bought the policy, Mr L valued the bike at £9,000. But that sum was clearly set out on his policy schedule as an *estimated* value only. It reflected what Mr L *thought* the bike may be worth. That has no effect on what its market value is, or on the sum Markerstudy could reasonably be expected to pay for it.

I think Mr L knew the bike was written-off in a non-fault accident in 2016. The insurer wasn't prepared to repair it, given the damage and the likely repair cost. So it offered Mr L £4,000 for the bike instead. He chose to retain the salvage and get the bike fixed himself. There's a note on Markerstudy's file that shows Mr L confirmed these facts to its advisor.

If the *pre-accident* value of the bike in 2016 was £4,000, it isn't clear why Mr L thought it should be insured for £9,000 later. It may well have been repaired to a high standard. But it was still a written-off vehicle. They are always worth less than they were before being badly damaged and having a total loss marker recorded against them.

I think it was reasonable for Markerstudy to use the national trade guide valuations as a starting point for assessing the bike's value. They're based on extensive research. We think using them is a fair way to try to assess what a vehicle's worth.

One of the engineers involved in the bike's valuation also found five bikes that he thought were similar to Mr L's bike. There was no exact match with his, in terms of age and mileage. But I think they show the trade guide valuations weren't out of kilter with reality.

The highest *asking* price for a bike – as opposed to its achieved sales price - was £3,500. It was the same age as Mr L's bike, but had just above half the mileage. And the asking price was subject to negotiation. Mr L wanted far more than that for his bike – but he didn't give Markerstudy any evidence to undermine its engineers' view.

Mr L argued that Markerstudy hadn't taken into account the value of the accessories he'd added to the bike. He didn't have any receipts for them – and no modifications had been reported to Markerstudy. The engineers didn't think photos of Mr L's bike showed he'd had a full luggage system fitted to it, as he'd claimed. I think it was fair for Markerstudy to say it will reconsider the issue should Mr L be able to provide more evidence about it.

The link Mr L gave us shows customer reviews of Markerstudy. Some of them are critical. I think Mr L may believe that bolsters his complaint. But my role is to review his specific circumstances. The opinions of others – on entirely different issues - aren't relevant here.

As the investigator pointed out, valuing vehicles isn't an exact science. All we can do is look at whether an insurer has acted reasonably in trying to work out what a vehicle's worth. I think Markerstudy did act reasonably, so I can't uphold Mr L's complaint.

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 Mr L to accept or reject my decision before 23 April 2018.

Susan Ewins
ombudsman