

complaint

Mr P complains about the figure Liverpool Victoria Insurance Company Limited (“LVI”) offered him under his motor cycle insurance policy when his motor cycle was stolen.

background

In January 2017 Mr P bought a new motorcycle and insured it with LVI. Unfortunately it was stolen five months later. Initially he was told by LVI’s claims team that he was entitled to a replacement new bike because his bike was less than six months old when it was stolen. However LVI then said he didn’t have this cover under his policy. It paid him £50 as compensation for the confusion it had caused.

Mr P was unhappy with his treatment by LVI, and the figure offered for his bike, and complained to us. In particular he said that:

- under the policy wording he was entitled to a replacement new bike;
- he was entitled to claim for “journey continuation” under the policy;
- LVI wouldn’t pay for genuine manufacturer’s accessories he had fitted to his bike; and
- the police had come across his bike during an undercover operation but wouldn’t recover it, and LVI wouldn’t put pressure on the police to do so.

Our investigator didn’t recommend that this complaint should be upheld. He said that the relevant wording in Mr P’s policy was as follows:

“Section 2 Fire and theft

What is covered:

If your motorcycle and/or its accessories (including when kept in your garage) are lost or damaged by fire, lightning, explosion, theft or attempted theft, we may:

- *pay for repairs to your motorcycle; or*
- *replace what is lost or damaged; or*
- *pay the market value of your motorcycle at the time of the loss or damage. When you accept this payment, your motorcycle becomes our property, unless we agree otherwise.”*

Under this wording LVI had the option to do whichever action it thought appropriate. So it had acted correctly in paying the market value of the bike at the time it was stolen. This was in line with the value for the bike’s make model and age in one of the published trade guides.

It was true that since April 2017, LVI had changed its policy terms to offer new-for old bike replacement where a bike was less than six months old when stolen or written off. However this change only applied to policies taken out since April 2017, and didn’t affect earlier policies such as Mr P’s.

LVI said that the “journey continuation” section of the policy didn’t apply to Mr P as he had ended his journey when the bike was stolen. And its engineer hadn’t put any value on the accessories Mr P had fitted to his bike as they weren’t such as to increase the market value of the bike. The investigator thought these decisions were correct.

Finally, he said this service couldn't comment on operational decisions of the police, and an insurer wouldn't be in a position to influence these.

Mr P didn't accept the investigator's recommendation so it has been passed to me to issue a final decision.

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 understand Mr P's frustration, particularly in the light of the wording of the policy that LVI now offers. However the wording of the policy that Mr P took out is clear. For the reasons the investigator explained, I think LVI has treated Mr P fairly and in accordance with the policy terms.

LVI caused Mr P some upset when it initially thought his policy entitled him to a new replacement bike. But it corrected this error quickly and I think the £50 compensation it has paid him for this is fair and reasonable.

my final decision

My decision is that I don't uphold this complaint, and make no order against Liverpool Victoria Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 December 2017.

Lennox Towers
ombudsman