

complaint

Mr C's unhappy that Zenith Insurance plc cancelled his motorbike insurance policy.

background

Mr C took out insurance with Zenith for his 124cc motorbike. But it cancelled it as his licence only entitled him to ride up to a 50cc motorbike and he hadn't taken compulsory basic training ("CBT"). He says his licence previously allowed him to ride a motorbike of up to 125cc and Zenith was therefore wrong to cancel the policy. It's breached its contract with him.

Our investigator didn't feel this complaint should be upheld. She said:

- Zenith has provided underwriting evidence to show it isn't prepared to cover anyone to ride a motorbike over 50cc on their car licence unless they've taken the CBT. This is in line with government advice and is reasonable.
- Insurers are entitled to make a commercial decision on whether or not to offer cover. So, Zenith was entitled to decide it wasn't prepared to offer Mr C cover unless he took a CBT. And as he didn't meet its underwriting criteria Zenith was entitled to cancel the cover.

Mr C doesn't agree and has asked for an ombudsman review. He says this view doesn't take account of the law.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr C has provided detailed submissions to support his complaint. I've read and considered them all. But my findings are expressed in considerably less detail. And they focus on what I think are the main issues.

Mr C says the CBT was introduced with effect from 1 December 1990 and licences like his issued before that date aren't affected by the CBT rule. And holders of such licences have "grandfather rights". And he's quoted extensive legal provisions and made various arguments and submissions to support his view.

The government website says CBT is a course a rider usually has to take before riding a motorcycle on the road to make sure it can be ridden safely while practising for a full test. And after a CBT is completed a motor cycle of up to 125cc can be ridden. But it also says a CBT need not be taken if riding a moped up to 50cc and the rider passed a car driving test before 1 February 2001.

Here Mr C says he passed his car test in 1990 and he wanted to drive a 124cc motorbike. So, the guidance suggests a CBT is therefore required by Mr C.

I realise that Mr C considers the law actually says something different. But it's not for this service to consider whether the guidance is correct or complete, or to interpret the law and issue judgements about it. That's a matter for the courts.

In addition, whatever the law does or doesn't say, the simple fact is that Zenith is entitled to decide, set and implement its own underwriting criteria. And it says it isn't prepared to cover anyone, including Mr C, to ride a motorbike over 50cc on their car licence unless they've taken the CBT. That's a commercial decision Zenith's fully entitled to make.

I recognise Mr C's strength of feeling and frustration. But taking everything into account I don't think Zenith has done anything wrong. As Mr C had a 124cc motorbike and hadn't completed CBT it was entitled to cancel his policy as it did. As a result I don't think I can fairly or reasonably now require it to do anything more or differently as Mr C would like.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 March 2018.

Stephen Cooper
ombudsman