



complaint

Mr A has complained that Southern Rock Insurance Company refused to meet his claim for the theft of his motorcycle as he did not follow the security conditions outlined in the policy.

background

Mr A took out his policy on line and confirmed that his bike was fitted with a security device from a drop down list. Southern Rock repudiated his claim for the theft of his motorbike as it was not fitted with the security device at the time of the theft.

Mr A has argued that he did not think the policy term relating to the mechanical security device was clear. The adjudicator investigating the complaint disagreed as, in his opinion, the term was sufficiently clear. Mr A also argued that the term was not brought to his attention. The adjudicator agreed with this point and said that he did not consider that there was anything at the point of sale, or on the policy schedule, that would suggest the device had to be fitted at all times when the motorcycle was left unattended.

The adjudicator also considered Mr A's belief that it only needed to be fitted when it was at his home address and secured to a ground anchor was reasonable. The adjudicator also felt that the pop-up box explaining the term at the point of sale was insufficient to bring it to Mr A's attention, and that the schedule did not refer him to the term in the policy wording.

As Southern Rock did not agree with the adjudicator the matter has been escalated to me for a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

It is clear that when Mr A took out his policy on line he was asked "*Is the Motorcycle protected by one of the following Mechanical Security devices?*". In response Mr A selected "*Abus 57 HB 130/300 – 130/230*" from the drop down box. Southern Rock went onto repudiate Mr A's claim for the theft of his motorbike as the bike was not fitted with this device when it was stolen away from his home address.

Ultimately, I accept that Mr A was aware of the security device requirement when he took out the policy on line as outlined above. However, I do not feel that the strictness of the condition was clear to Mr A at that time. There was a pop up box which went onto explain the term at the point of sale but I do not believe it was sufficient to bring it to Mr A's attention.

Mr A reasonably believed that he understood the requirements of the condition and that they referred to storage of the bike at his home address, which is not an unreasonable assumption particularly given the bulkiness of the security device. I am of the view that Southern Rock's explanation at the point of sale should have been clearer.

Furthermore, this Service expects onerous conditions (which this clearly is) to be clearly brought to the consumers attention in the key facts document and the policy documentation in an easily accessible and understood manner. In this instance I do not believe this to be

the case. There is no mention of the exclusion in a key facts document and although the schedule does refer to the 'E4 security endorsement' it is tucked away on page 15 of the policy and I am not convinced that it is worded clearly. The endorsement seems to refer to security requirements at the disclosed address and generally which could serve to confuse a consumer. I note that Mr A thought that the security requirements were only required at his home address when secured to a ground anchor.

It therefore follows that Southern Rock should deal with Mr A's theft claim in line with the policy terms and conditions and pay Mr A £500 for his loss of use. I am also satisfied that as a result of Southern Rock's decision that Mr A has experienced stress and inconvenience and that he should be awarded a moderate amount of compensation, in line with the guidelines set out on our website.

my final decision

It is my final decision that I uphold Mr A's complaint and order Southern Rock Insurance Company to deal with Mr A's theft claim for his motorbike adding interest at our usual rate of 8% per annum simple to any cash settlement from the date of the theft to the date of payment. I also order Southern Rock to pay Mr A £150 compensation and £500 loss of use.

Colin Keegan
ombudsman