

complaint

Mr P complains about the effects of MCE Insurance Company Limited unfairly placing a category B marker against his motorcycle following it being stolen and recovered after it started to deal with a claim on his motorcycle policy

background

Mr P's motorcycle was stolen while he wasn't in the country. It was recovered by the police before arrangements were made by MCE to recover and assess it.

On 5 September 2017 MCE's engineer looked at the motorcycle and recommended that a category B marker should be recorded against it as the frame had been '*distorted*'. MCE therefore placed the marker against the motorcycle.

As Mr P decided not to claim under his policy, and instead wanted to arrange repairs himself the motorcycle was taken to another garage. An engineer at the garage assessed the motorcycle and a report was produced on 28 September 2017 stating

'Our engineer has looked thoroughly at this bike and in comparison to your engineers report there are many discrepancies and our engineer is confident that this bike is not a CAT B. – This bike will not be a CAT bike. It is purely a stolen and recovered bike with light cosmetic damage'

MCE then arranged for another engineer to look at Mr P's motorcycle to determine whether or not the category B marker should have been placed on it. Two reports were produced. On 3 October 2017 the engineer stated:

'Would suggest that frame is repairable from past experience as only lock forced'

A further report on 18 December 2017 stated:

'The repairs appear to have been carried out in accordance with previous report. – It is in our opinion the motorcycle should not have been a category B, as only minor damage to the steering lock on the frame head, which has been easily repaired'

On 20 February 2018 whilst this complaint was being reviewed by our service the garage that carried out the repairs carried out a test to the motorcycle's frame. The test showed that the frame wasn't damaged. MCE then agreed to remove the Category B marker from the motorcycle. I can see that the marker was also removed at some stage before this for a short time but was then reapplied.

Mr P's repairs were completed on 21 October 2017 and he didn't move his motorcycle from the repairing garage until after MCE had removed the marker from his motorcycle. He says he didn't move the motorcycle because the marker was still against it making it not road legal.

Our investigator considered Mr P's complaint and thought MCE should pay for the cost of storing the motorcycle at the repairing garage. MCE disagreed it said that Mr P should have moved it sooner, or if he had told them it was incurring a cost for storage they would have arranged to have it moved.

As MCE disagreed with our investigator's suggestion this complaint has been passed to me to decide.

my findings

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

Neither Mr P nor MCE disagree with the circumstances of this complaint so I need to consider whether or not it's reasonable for MCE to pay for the storage fees that Mr P's motorcycle has accrued at his repairing garage.

I have looked at the evidence available, and while I can see MCE's engineer originally recommended that a category B marker should be placed against the motorcycle, and says he did so in line with the Association of British Insurers (ABI) code of practice, it's clear that several engineers disagreed with the initial findings.

The test carried out by Mr P's garage shows that the frame wasn't damaged.

So I have considered what should have happened from the outset. And I don't think the marker should ever have been placed against Mr P's motorcycle. The error of placing the marker against the motorcycle lies with MCE.

MCE didn't arrange for the marker to be removed for several months after the repairs had been completed and following several reports being carried out. Mr P told us he didn't move his bike from the garage until the marker was removed which I think is reasonable as the marker makes the motorcycle not road legal.

While I appreciate Mr P could have told MCE his motorcycle was incurring storage costs, MCE knew it had placed a marker against the motorcycle making it not road legal and this decision was being contested. I haven't seen anything to suggest MCE enquired as to the whereabouts of the motorcycle at any time or offered alternative storage.

In addition to this, had the marker not been incorrectly put against Mr P's motorcycle by MCE his motorcycle he would have been able to ride it following the repairs and he wouldn't have incurred any charge for storage.

So overall I think Mr P has incurred storage charges for his motorcycle because of what MCE has done wrong and I think MCE should cover this cost.

my final decision

My final decision is that I uphold this complaint and require MCE Insurance Company Limited to cover the storage costs Mr P is being charged by the repairing garage.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 August 2018.

Terry Woodham

ombudsman