

complaint

Mr L says after he made a claim on his motorcycle insurance policy, MCE Insurance Company Limited delayed in dealing with it and then made a low offer for his bike.

background

Initially MCE wouldn't deal with Mr L's claim. It said the occupation listed on his policy wasn't one it should have agreed to cover. A few months later, MCE said it had made a mistake. It decided to pay Mr L for his stolen bike. It offered him £8,700 and later increased that offer to £9,517. Mr L believed it should pay him more. He said the valuation was based on just one eBay listing. MCE said it didn't know why he thought that was the case.

Our investigator said we usually thought it was fair to rely on the valuations given by the national trade guides. He said MCE had looked at those, and had offered Mr L a sum *higher* than the average of the guides' valuations. He noted that MCE's advisor had told Mr L that it didn't normally look at eBay listings, but may do so in exceptional circumstances. The investigator didn't think MCE had done anything wrong.

Mr L said he couldn't replace his bike for the sum MCE had offered him. He said he needed an offer of at least £10,000. And he said he wasn't happy with the way MCE had tried to resolve his complaint about delay. Mr L had wanted his £2,000 policy excess to be waived. But MCE only reduced it by £650 and agreed to pay interest on the settlement figure.

As there was no agreement, the complaint was passed to me for review.

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 Mr L has shown that MCE based its offer for his bike on an eBay listing. I think it has shown that it considered the valuations given in the national trade guides. We think that's a fair way to assess market value. MCE increased its offer to a sum that was higher than the trade guide valuations suggested was fair. Mr L had sent adverts to MCE, so I think it's fair to assume that they may have been taken into account. Either way, he was offered more than we would have expected, given the trade guide valuations.

I think MCE acted fairly in offering Mr L £9,517. I know he thinks it isn't enough. He doesn't think he can replace his bike for that sum. But the prices in the adverts he's seen are very likely to be inflated, as they're subject to negotiation. There may also be differences between the bikes advertised and his bike that would account for some of the disparities in price.

In terms of delay, the claim was made in March 2017, but MCE had to validate it. That always takes time. And in this case there was a complication. Mr L's stated occupation covered more than one profession. MCE had to wait for an external report before it could make a decision. It didn't arrive until 25 May 2017. The claim was declined in June 2017, but it wasn't until 27 July 2017 that MCE told Mr L it would deal with the claim after all.

MCE realised it could have progressed matters more quickly. So it offered Mr L £650 for inconvenience and delay. It also undertook to pay him 8% interest on any settlement he later got. I know Mr L thought waiving his full policy excess of £2,000 would be a better way to compensate him. But in my opinion, MCE's compensation offer was reasonable enough. Part of the delay was out of its control. I don't think its offer was out of line with what we would have proposed had MCE not tried to put matters right.

As I don't think MCE acted unreasonably in dealing with Mr L's claim, I can't uphold his 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 21 May 2018.

Susan Ewins
ombudsman