

## **complaint**

Mr H has complained about the decision of Trinity Lane Insurance Company Ltd to refuse to place his new motorcycle on his existing insurance policy after his previous motorcycle was declared a total loss following a claim made under the policy.

## **background**

Mr H had a total loss claim met under the policy that he held with Trinity Lane in respect of his motorcycle. He purchased a replacement motorcycle and requested that Trinity Lane place it on cover on his existing policy, but Trinity Lane declined to do so. Mr H disputed Trinity Lane's decision, stating that it was unfair, and that it does not match the industry's standard approach in circumstances such as these.

Our adjudicator upheld this complaint. His view was that in general, insurers will allow a replacement vehicle to be placed on a policy where the previous vehicle has been declared a total loss. He also noted that Trinity Lane had not indicated that the replacement motorcycle represented an unacceptable risk to it. The adjudicator proposed that Trinity Lane should pay Mr H a sum to reflect the period of the policy that he had effectively not received any insurance cover for after the total loss payment had been made to him. He also recommended that Mr H should receive £100 compensation for distress and inconvenience caused to him.

Trinity Lane disagreed with the adjudicator's findings. It stated that in its experience, more than half of the insurance market tends to cancel cover after a total loss.

## **my findings**

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

I note that within the policy terms, it confirms the following in the event that a total loss claim has been settled:

*"We will not refund any premium for the period of insurance you have left, but we may decide to let the cover continue for a replacement motorcycle."*

It seems therefore that it is at the discretion of Trinity Lane whether motorcycle substitution is permitted after a total loss claim. I must consider whether Trinity Lane's decision not to permit substitution of the motorcycle under the policy was fair, given the circumstances of this complaint.

I note Trinity Lane's comment that more than half of the insurance market tends to cancel cover after a total loss. However, I am aware that insurers do allow vehicle substitution after a total loss, allowing a consumer to make use of the remaining premium.

My view is that it is good industry practice to allow substitution after a total loss. I accept that there may be circumstances where it is not reasonable to expect an insurer to allow substitution, but on balance I do not consider this to be the case here. As such, I find Trinity Lane's decision to cancel Mr H's policy to be unfair, and I consider that Mr H should receive compensation to reflect any additional insurance premium cost he has incurred as a result of this decision.

Trinity Lane's actions when cancelling the policy have in my view caused Mr H unnecessary distress and inconvenience. Bearing in mind that awards made by this service under this heading are in general modest, I would agree with the adjudicator that Mr H should receive £100 compensation to reflect distress and inconvenience caused to him.

### **my final decision**

My final decision is that I uphold this complaint, and I require Trinity Lane Insurance Company Ltd to carry out the following actions:-

- Calculate the pro rata cost of the replacement insurance cover Mr H obtained for his new motorcycle, based on the period from the commencement date of this new cover to the date that Mr H's policy with Trinity Lane Insurance Company Ltd was due to expire (A).
- Calculate the additional premium (if any) that Trinity Lane Insurance Company Ltd would have charged Mr H to insure his new motorcycle under his existing policy from the date that he commenced cover under his replacement policy to the date that the Trinity Lane Insurance Company Ltd policy was due to expire (B).
- Subtract B from A.

Any resultant sum should be paid by Trinity Lane Insurance Company Ltd to Mr H, together with simple interest at 8% per annum (less tax if properly deductible) from the date Mr H paid for his replacement insurance cover to the date of settlement.

- Pay Mr H £100 compensation to reflect distress and inconvenience caused to him.

John Swain  
**ombudsman**