

complaint

Mr S complains that Zenith Insurance plc (“Zenith”) will not meet a claim he made under his motorcycle policy after his motorcycle was stolen from outside his house.

background

At about 5.00 pm one afternoon in October 2014, Mr S took his motorcycle out of his garage beside his house, and parked it in front of the garage. He was intending to leave on his bike about 7.00 pm to visit friends. However his wife asked him to take her in their car to visit his brother in law, who lived a five or ten minute drive away, which he did.

They only meant to stay ten or fifteen minutes, and Mr S then intended to visit his friends on his bike when he returned. However they stayed about three hours, and returned home about 10.00 pm. When they got back, he found his bike had been stolen. The bike was recovered shortly afterwards, but was damaged and classed by Zenith as a total loss.

Mr S claimed for the loss under his policy. However, Zenith said that his policy contained the following special endorsement:

“You have agreed that you will keep your vehicle in a locked garage or building at your home address. If a theft or attempted theft of your vehicle happens within a 500 metre radius of your home address when the vehicle is not locked in this garage or building we will not pay the claim. This restriction does not apply to any loss or damage occurring whilst your motorcycle is parked during the course of a journey.”

It said that the effect of this endorsement was that Mr S’s policy did not cover theft unless the bike was garaged whilst at his home address. So it refused to meet his claim.

Mr S complained to us. He said that he had taken his bike out hoping to begin a journey, but then his wife had asked him to drive her to her brother’s house. He intended to complete his journey when he returned, but when he got back home, he found his bike had been stolen. He believed he was in the course of a journey when his bike was stolen – just with a long delay. So under the wording of the policy endorsement, his bike was covered by the policy when it was stolen.

Our adjudicator did not recommend that this complaint should be upheld. He said that while Mr S had taken his bike out of the garage to begin a journey, he had then decided against beginning that journey, and instead had taken his wife to visit her brother. So he did not think that Mr S was in the course of a journey at the time of the theft. He said that Zenith had acted reasonably when it relied on the endorsement and rejected his claim.

Mr S did not accept the adjudicator’s recommendation, and asked that his complaint be reviewed by an ombudsman.

my findings

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

An endorsement of this nature is unusual, and can have a very serious effect on a policyholder. So if it is to be upheld, I need to be satisfied that it was brought to the

policyholder's attention before he took out the policy. In this case, Zenith has confirmed that the wording of the endorsement was read to Mr S by the broker at the time of sale, and accepted by him. It was also included in the policy documents sent to Mr S. So I am satisfied that Zenith can rely on the endorsement.

Like the adjudicator, I do not agree with Mr S that the bike was "*parked during the course of a journey*" at the time it was stolen. I don't think he can be said to have started the journey to his friends when he had not left his drive. And even if he could be said to have started this journey, I think he then abandoned it to drive his wife to her brother's house.

So I conclude that Zenith acted reasonably, on the basis of the wording of the policy endorsement, in refusing Mr S's claim.

my final decision

My decision is that I do not uphold this complaint, and make no order against Zenith Insurance plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 27 July 2015.

Lennox Towers
ombudsman