

### **complaint**

Mr A has complained about Advantage Insurance Company Limited's valuation of his motorcycle following a theft claim on his insurance policy.

### **our initial conclusions**

Our adjudicator concluded that this complaint should be upheld as he felt that Advantage's valuation was not fair or reasonable. He acknowledged that valuing such a motorcycle was not straightforward as it was new to the market and very sought after. However, he felt that Advantage's reliance upon the trade guides, which did not have any data from actual sales, was not as reliable as the research undertaken in this instance. As Advantage did not agree the matter has been escalated to me for a final decision.

### **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Mr A and Advantage have provided. I usually pay particular attention to the various trade guides used for valuing motorcycles, as well as evidence provided by both parties. This evidence might include advertisements for the sale of similar bikes and magazine articles; although I place less weight on advertisements than on the trade guides, as bikes do not normally sell for the price at which they are advertised. The condition of the motorcycle at the time the theft occurred is also an important factor to consider. I will only order a business to increase its valuation if I consider it is unfair.

This is an unusual case involving the valuation of a motorcycle that was new to the market and specialist in nature. It is accepted that the bike was difficult to value and that the trade guides have insufficient data to provide an accurate valuation. However, as Mr A obtained a number of valuations that suggest the bike is worth significantly more than Advantage have offered, and that position has been checked by our adjudicator, I believe that it is only fair and reasonable that the settlement figure is increased to £8,000 from £6,970. I also award £100 compensation for the inconvenience caused in advancing the complaint and not being given sufficient money to purchase his replacement motorcycle.

**It therefore follows that my final decision is that Advantage Insurance Company Limited should pay Mr A £8,000 (see overleaf).**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mr A either to accept or reject my decision before 18 November 2014.**

*Colin Keegan*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

My final decision is that Advantage Insurance Company Limited should pay Mr A £8,000 adding 8% simple interest per annum to the additional amount from the date of the original payment to the date of settlement. Plus £100 compensation for the inconvenience caused.

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.