

## **complaint**

Mr O complains that Ageas Insurance Limited provided poor service after he made a claim on his motorcycle insurance policy. He says it didn't pay him enough for his written-off vehicle. Mr O is represented by Mrs O.

## **background**

Mrs O said the £1,800 Ageas offered for the bike wasn't enough to buy a similar vehicle. She said Ageas's agent's engineer had only looked at one of the national trade guides. She thought the modifications made to the bike increased its market value. She said its colour was in high demand, and added £800 to the bike's value. She said similar bikes in average condition in a different colour sold for £1,713.

Considering the £1,363 spent on modifications - plus the increase for the bike's colour - Mrs O said the market value of Mr O's bike was £3,876. She didn't accept that the valuation should be affected by the bike having twice been written-off previously or by the pre-accident damage the engineer found.

Ageas said the delay in dealing with the claim was caused by Mr O not having told it about the modifications, plus staff shortages. The engineer who valued the bike said the trade guide figure he found was £1,925. But he said the bike was in below-average condition, with some non-accident damage. He also noted its history. He said its market value was £1,500. Ageas's engineer reviewed the valuation and looked at a further trade guide. Ageas's final offer for the bike's pre-accident market value was £1,800.

One of our investigators reviewed Mr O's complaint. He noted that Ageas had apologised for the delay in dealing with the claim. He checked three of the national trade guides. The prices set out in them ranged from £1,925 to £2,506 for similar bikes in good condition. He thought a deduction of up to 20% for the bike's history and condition was fair. He said we didn't think the modifications or the bike's colour increased its value.

Mrs O said the policy didn't say trade guide prices would be used. She said Ageas had admitted that it didn't consult a second trade guide or instruct a second engineer. She said the policy wording said the bike's specification was part of the market value. To her, the changes made to the bike and its colour were part of its specification. She said Ageas hadn't looked at the prices similar bikes were sold for. She offered to share her research on that.

The investigator said Mrs O couldn't show the bikes she'd referred to were like-for-like examples, given the history and pre-existing damage to Mr O's bike. He said Mrs O would need to provide independent evidence of the bike's colour adding value. Mrs O said it wasn't right not to use the definition of market value set out in the policy. She repeated that the bike's specification included modifications, plus its colour. She said the pre-accident damage to Mr O's bike was minimal. And she queried how total loss markers could affect a bike once it was repaired.

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.

We think the best way to find a vehicle's likely market value is to look at the national trade guide prices. They're based on extensive nationwide research into likely selling prices. This approach is standard across the industry. Ageas's agent only looked at one guide, but Ageas's engineer reviewed the valuation and increased it. We checked that the figure he got was correct. The investigator also checked another two guides. The average price from all three trade guides was £2,185. One of them was out of line with the other two. Without it, the average valuation was £2,025 – just £100 more than the sum Ageas's agent found.

I think it was fair for Ageas to deduct a sum from the valuation the engineer found, as the bike had been written-off twice previously. Mrs O doesn't see why it's fair, but we think a deduction of up to 20% is acceptable. Consumers are likely to pay less for a bike that has been damaged enough for it to be written-off than for one that hasn't. That applies even if the bike has been fully repaired. The sum Ageas offered meant it deducted far less than the 20% we think is fair. And although the engineer noted pre-existing damage, Ageas says he deducted nothing for that.

Mrs O says the bike was worth more than Ageas offered because of its modifications, accessories. She thinks Ageas didn't abide by the policy's wording as these were all part of its specification. But they weren't part of its original specification and adding them doesn't generally add to a bike's value, as potential buyers may not see them as an asset. I don't think Mrs O has shown that the modifications increased the bike's value.

Mrs O says her research shows the bike's colour adds around 40% of the average valuation given in the trade guides to its value. Recently she provided her evidence. It shows the prices she says were paid for bikes of the same colour as Mr O's bike and prices for the same bike in other colours. I'm not persuaded by it. One of the bikes the same colour as Mr O's bike was bought for the same price as one in another colour. A similar price was paid for a bike with similar mileage in a third colour. I don't think other examples in the list Mrs O provided are comparable because the condition of the bikes is different. And I don't think there's enough information overall to make fair comparisons between the bikes.

Part of the delay and poor service Mr O is concerned about was on the part of his broker, but Ageas accepts that there was some delay in it making progress with the claim. Ageas said it had staff shortages, which it apologised for. The claim also dragged on because of the valuation dispute. Had Mr O given Ageas full details of the changes he'd made to the bike at the outset, some of the work it had to do after the claim was made wouldn't have been necessary. So I think quicker progress is likely to have been made. Taking everything into account, I think Ageas dealt with the claim within a reasonable time.

As I don't think Ageas acted unreasonably, I can't uphold Mr O's 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 O to accept or reject my decision before 22 February 2020.

Susan Ewins  
**ombudsman**