

complaint

Mr J has complained about Advantage Insurance Company Limited. He isn't happy with the valuation it has placed on his motorcycle following a claim on his motorcycle insurance policy.

background

Mr J's motorcycle was stolen so he made a claim to his motor insurer. Advantage gave Mr J a market value for his motorcycle of £3,150. It says this was higher than the market value advised in the motor trade guide which was available to it.

Mr J said his motorcycle is worth more. He said he'd seen motorcycle's of a similar age, mileage, in a similar condition and the same specification advertised for a higher price. So he complained to our service.

An investigator at our service looked into things for Mr J but he didn't uphold the complaint as he felt the offer Advantage had made was a fair. Mr J didn't agree. He says he can't replace his motorcycle for £3,150 so it isn't fair to expect him to accept the trade guide market valuation. So the matter has been passed to me to 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 understand this will come as a disappointment to Mr J but I'm not upholding his complaint. I will explain why.

It's not our role to decide a valuation. Our role is to look at whether an insurer has reached the valuation of a motorcycle in a reasonable way. And in doing so we pay particular attention to the various trade guides used for valuing motorcycles. We think these guides let us see the fair value of a motorcycle as they're based on actual sales prices rather than advertised prices, which are usually inflated for negotiation purposes. The value they give is an average and takes into account motorcycles selling at higher and lower prices.

Mr J's policy under '*how your claims are settled*' says:

For loss of or damage to your motorcycle your insurer will either:

- *pay for any necessary repairs;*
- *pay the market value of your motorcycle immediately before the loss (this is not necessarily the value you declared when the insurance was taken out).*

And under the policy terms 'market value' is defined as:

The cost of replacing your motorcycle in the United Kingdom at the time the loss or damage occurred with one of a similar make, model, age and condition.

The policy goes on to say that Advanatge will use the relevant trade guides to establish the appropriate market value.

So while I appreciate that Mr J is unhappy that Advantage has used the trade guides to decide a value for his motorcycle instead of actual adverts, it's outlined in the policy terms.

So I think it's fair to say that Mr J was aware or should've been aware that Advantage would pay no more than the market value of the motorcycle. And he was aware or should've been aware of how Advantage would determine the market value of his motorcycle.

Usually we expect the insurer to check quotes from the three main motor trade guides to decide a fair valuation. But one of the guides doesn't cover motorcycles and the second doesn't have that particular specification listed. Advantage has considered the market value which was listed in the third motor trader guide. The valuation provided was £3,000. Advantage offered Mr J more than the valuation in the trade guide. With that in mind I can't say it has acted unreasonably. I think the offer is fair in the circumstances.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 14 March 2018.

Jade Rowe
ombudsman