

complaint

Mr G says Ageas Insurance Limited hasn't made a fair settlement offer for his motorcycle following a claim on his motorcycle insurance policy.

background

Mr G's motorcycle was written off following a non-fault accident. Ageas has valued the motorcycle at £15,500. Mr G says motorcycles of similar condition, age and mileage to his cost £16,900. And he says his motorcycle had added features which cost around £1,600. So Mr G complained to us.

The investigator who looked at Mr G's complaint didn't uphold it. She thought Ageas' offer was fair and in line with its obligations under Mr G's insurance policy.

Mr G strongly disagrees. He says his motorcycle was taken from him through no fault of his own and he wants it replaced seamlessly with a like-for like model.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've decided not to uphold Mr G's complaint. I know this will disappoint him but I hope the reasons I'm about to give help him to understand why I've reached this conclusion.

My starting point is Mr G's motorcycle insurance policy. This says if Mr G's motorcycle is damaged, Ageas will settle his claim by sending him a cheque for the amount of the loss or damage. It goes on to say it will not pay any more than the market value of his motorcycle at the time of the damage less any excess that may apply – unless there's an agreed value in Mr G's policy schedule (and there was no agreed value). Mr G's policy says the market value of his motorcycle is the cost of replacing it with another of the same make, specification, model, age, mileage and condition of his motorcycle just before the loss or damage.

I should say my role in looking at Mr G's complaint isn't to place a value on his motorcycle. Instead, it's to decide if Ageas' offer is within a fair and reasonable range. We think the fairest way for an insurer to decide the market value for a motorcycle is to look at the main motor industry guides. We think these are persuasive, largely because their valuations are based on nationwide research and likely sales figures rather than, for example, advertised prices. But we also accept there are fluctuations in the valuations these guides give, because placing a value on a motorcycle isn't an exact science.

After Mr G's motorcycle was written off, Ageas had it inspected by a third party engineer. He valued the motorcycle at £15,500. In his report, he noted his valuation was the same as the industry guide Glass's retail valuation of a motorcycle of the same type, condition and mileage as Mr G's.

Mr G disputed the settlement amount. He sent Ageas a copy of his purchase receipt, details of the modifications that had been made to it before he bought it and copies of recent adverts for similar motorcycles, all priced at just under £17,000. So Ageas asked the engineer to re-consider his valuation.

The engineer said the value of the equipment added to the motorcycle before Mr G bought it was lower than the standard equipment usually fitted to these motorcycles. He said he'd looked at both Glass's and CAP's guides (which gave valuations of £15,500 and £14,595 respectively as at August 2018) as well as adverts for similar motorcycles from an auto trade website. He was of the opinion that no increase in his valuation of Mr G's motorcycle was justified.

The investigator who looked at Mr G's complaint says she also looked at Glass's guide which gave a valuation of £15,500. And she says she looked at another guide, Cazana, which gave a valuation of £14,494.

I understand Mr G wants a settlement sum that enables him to buy a like-for-like replacement motorcycle. I can understand why Mr G wants this. But, as I've already said, I don't think it's what the terms of his motorcycle insurance policy say he's entitled to claim for. So I agree with our investigator that, by offering a settlement figure that was in line with a valuation given by a third party engineer and with the valuations given by two of the main motor industry guides, Ageas acted fairly and reasonably and in line with the terms of Mr G's motorcycle insurance policy.

I understand Ageas has already sent Mr G a cheque for £15,500. It follows that I don't think Ageas needs to do anything else.

my final decision

For the reasons I've given, I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 April 2019.

Jane Gallacher
ombudsman