

The complaint

Mr O is unhappy with AWP P&C SA's handling and lack of settlement of his claim under his bicycle insurance policy.

What happened

After his bike was stolen Mr O made a claim. AWP requested certain information such as proof of purchase receipts and other details. Mr O sent in the details of the bike purchase and AWP noticed that the bike was sold with a dongle. AWP pointed out to Mr O that with the dongle fitted the bike wouldn't have been suitable for this policy. Mr O felt AWP kept moving the goalposts and asking for more information rather than dealing with the settlement of his claim. The debate dragged on and later Mr O did provide photos and a video of the bikes involved and the dongle. Mr O accepted that the dongle came with the bike, but he said he removed the dongle and fitted it to another of his bikes as he owned several.

AWP asked for further evidence and receipts. Relations between AWP and Mr O were strained and eventually AWP decided it didn't have enough evidence and declined the claim. Unhappy with this Mr O brought his complaint to this service.

Our investigator upheld the complaint. She accepted Mr O's explanation that he was able to remove the dongle and fit it to another of his bikes. Mr O had sent in a video showing the dongle was still in his possession and that it was attached to another bike. He also provided photos. Our investigator said at that point AWP should have paid the claim as Mr O had provided enough evidence. Our investigator felt Mr O had been treated unfairly and unreasonably. She noted that he'd had to spend a lot of time trying to resolve the claim, had produced evidence, and had still found his claim declined. She said in view of this AWP should pay Mr O £100 for the distress and inconvenience caused.

AWP didn't accept this and asked for the complaint to be passed to an ombudsman for a final decision.

What I've decided – and why

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

It's clear that AWP didn't accept Mr O's initial explanation. He said he had to get the dongle with the new bike. But he also said he knew how to remove and attach the dongle. He said in this case he had removed it and attached it to a new bike. AWP asked for proof of this. I can see that Mr O said he felt intimidated and undermined by the requests for further evidence made continually throughout the claim.

I don't think the early requests for more evidence were unfair. However, I do think that later Mr O provided suitable evidence. To this service AWP then questioned the time it had taken to get this evidence. But it's clear from the emails that Mr O was fed up and felt that for every bit of evidence he'd provided AWP then just appeared to ask for more.

I think asking for an original purchase receipt and then proof that the dongle was still in Mr O's possession was fair. However, Mr O did provide such evidence. He sent in photos and he sent in a video, in both there were clear images of the dongle and clear images of it attached to a bike. So, I think Mr O produced the evidence that AWP asked him too. I can understand that AWP were naturally wary and didn't understand why the dongle would be removed and put on another bike, but I think Mr O was clear about what he was doing and why.

If Mr O's evidence hadn't materialised, I think AWP would have been perfectly within their rights to decline the claim, as the bike wouldn't have been covered in line with the policy wording. But Mr O did provide the evidence. And AWP continued to decline the claim and request further information. In this case that feels unfair and unreasonable.

I can understand AWP's point, that with the dongle fitted this bike would no longer be within the definition of a bicycle. It would have been considered a motorised vehicle and would need to be covered in a completely different way in line with the Road Traffic Act. But once Mr O had produced the evidence that he still had the dongle it's clear that it wasn't fitted to the stolen bike. Mr O also clearly explained how to remove and attach a dongle to a bike. His video evidence showed the dongle fitted to another bike.

Based on this I don't think AWP acted reasonably and fairly when it declined to deal with Mr O's claim. I think AWP should pay the bike and the accessory claim.

I can see throughout the emails between the parties that Mr O gets more and more fraught and upset. I think initially AWP rightly and understandably were looking to validate the claim in unusual circumstances. But it's clear that when Mr O did produce evidence that should have been considered suitable AWP tried to continually widen the scope of the claim investigation. It seems to me that it was understandable for Mr O to get frustrated and upset with AWP from this point. Based on that I think AWP should pay £100 compensation for his distress and inconvenience.

Putting things right

- Pay the claim for the bike and accessories.
- Pay Mr O £100 compensation for his distress and inconvenience.

My final decision

I uphold this complaint.

I require AWP P&C SA to:

- Pay the claim for the bike and accessories.
- Pay Mr O £100 compensation for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 22 July 2022.

John Quinlan
Ombudsman