

## **The complaint**

Mr N complained about Sabre Insurance Company Limited. He isn't happy that it turned down a claim under his motorbike insurance policy.

For ease of reading any reference to Sabre Insurance includes its agents.

## **What happened**

Mr N's motorbike was stolen from his home address after a potential buyer attended his house and stole his bike. But when he made a claim under his policy Sabre turned it down. This was because it thought the bike had been stolen by trickery or deception which wasn't covered by the policy. As Mr N wasn't happy about this he complained to Sabre who maintained its position and so he complained to this Service.

Our investigator looked into things for Mr N and eventually upheld his complaint. Although she didn't think Sabre had acted unreasonably in following a strict interpretation of the policy she didn't think the decline was fair. She pointed Sabre towards our general approach to cases like this. Highlighting the fact that Mr N didn't hand over full control of the motorbike and he took reasonable steps to ensure the buyer was genuine so she thought it should settle the claim.

As Sabre didn't agree the matter has been passed to me for review.

## **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.

I can understand why Sabre declined the claim given a strict application of the exclusion under the policy. Its policy has a clause saying it excludes cover if Mr N's motorbike was stolen by trickery or deception which is common in motor insurance policies generally. However, I agree that the strict interpretation here hasn't produced a fair and reasonable outcome in the particular circumstances of this case. I'll explain why.

Mr N was selling his motorbike and took reasonable steps to ensure the potential buyer was genuine which is key in this case. The potential buyer attended Mr N's address following a number of conversations with Mr N who made it clear that the prospective buyer couldn't ride the bike on the day in question because of the weather. The bike was particularly powerful and even Mr N wouldn't ride it in circumstances like this, but the potential buyer was knowledgeable about the bike and understood the position.

The thief arrived with insurance documentation (that turned out to be falsified), identification, a laptop, and other items that all suggested he was genuine. To the extent that even when Mr N reported the possible theft the police just presumed the buyer may have fallen off the bike as opposed to have stolen it. Indeed, Sabre's call taker reached a similar conclusion when Mr N reported the theft. This was because the thief left all his items, including his bag and laptop, behind when he stole the bike and the police wondered whether there had been a language barrier and the thief didn't understand he couldn't take the bike for a test drive as English wasn't his first language.

I know Sabre believes Mr N completely handed over control of the bike. But I've listened to the notice of loss call and I'm satisfied Mr N didn't hand over full control of his bike although he put the keys in the ignition in order that the potential buyer could test the brakes and forks on the bike that had been replaced. Mr N made it clear to the potential buyer that he couldn't test drive the bike even though he had insurance in place (which seemed legitimate) given the weather conditions. And the thief just simply jumped on the bike and rode off which wasn't agreed.

Given all of this, I think Mr N took reasonable precautions to try and ensure the buyer was genuine and to try and ensure his bike was secure. Mr N clearly tried to check the validity of the thief's identity including checking what looked like a valid insurance certificate and the thief left what seemed like genuine articles including a laptop behind. And I don't think I've seen sufficient evidence to say Mr N handed over full control of the bike even though the thief provided what looked like a genuine insurance certificate. He was in very close proximity and it is logical that any prospective seller would have to put the key in the ignition and start the bike. So, although I can understand why Sabre declined the claim, given a strict interpretation of the clause, I don't think that produces a fair outcome in the particular circumstances of this case.

As such, I think Sabre should settle the claim in line with the remaining terms and conditions of the policy adding 8% simple interest for the time Mr N has been without the money owed.

### **My final decision**

It follows, for the reasons given above, that I think Sabre Insurance Company Limited should settle Mr N's claim in line with the remaining terms and conditions of the policy and pay 8% simple interest.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 7 June 2023.

Colin Keegan  
**Ombudsman**