

The complaint

Ms C is unhappy that Liverpool Victoria Insurance Company Limited ("LV") hasn't settled part of her contents insurance claim.

What happened

Ms C held a buildings and contents insurance policy, underwritten by LV.

Sadly, Ms C's garage was destroyed by fire. Ms C made a claim to LV and this included some protective equipment that was stored in the garage. LV declined to cover the equipment because Ms C's policy doesn't cover motorbike accessories, and LV thought the items were motocross accessories. LV went on to cover some of the items that it thought had a dual purpose, like gloves and boots. But it declined to cover the rest.

Ms C complained. She told LV that she doesn't own the motocross bike anymore. LV considered the complaint but didn't change its stance. It said it didn't matter whether she owned the motocross bike as it still viewed the items as motorbike accessories on the basis that they wouldn't be used within the home for any other purpose.

Ms C didn't think this was fair, so she referred her complaint to the Financial Ombudsman.

Our investigator looked into the complaint and didn't think it should be upheld. He thought LV had declined the claim fairly and in line with Ms C's policy terms.

Ms C didn't agree and explained that the equipment wasn't only used for motocross, and had originally been purchased for another reason.

Because Ms C didn't agree, her complaint has been passed to me to decide.

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.

Having done so, I've decided not to uphold Ms C's complaint for broadly the same reasons as our investigator.

I know this will be disappointing for Ms C. And I'm mindful of the distress that the fire must have caused her and her family. But I'm persuaded that LV has acted fairly. I've focused my comments on what I think is significant. If I haven't commented on any specific point, it's because I don't feel it's relevant to what I consider to be the right outcome.

As is common with home insurance policies, Ms C's policy doesn't cover motor vehicles or their accessories. The relevant term in Ms C's policy says:

"Contents are not: motor vehicles (including motorbikes, quad bikes and motorised scooters), caravans, trailers, watercraft, aircraft and all their accessories"

So, I've had to decide whether LV acted fairly when it defined Ms C's protective equipment as motorbike accessories.

I accept, in principle, that the way an item is used by a policyholder is relevant when deciding which section of cover might apply. But I haven't found Ms C's testimony consistent on the use of the equipment. I say this because when she listed the contents of her garage, she recorded the equipment as 'motocross kit'. She later told LV that it was sports equipment and wasn't just used for motocross. LV's notes show she also said the items were being stored for potential future use. Ms C has since told our service that the equipment wasn't for motocross but was purchased and used for downhill mountain biking. Looking at LV's claim notes, I can't see that Ms C mentioned this during the claim process.

Even so, I do appreciate Ms C feels that the language she used is being held against her. So, I've looked carefully at the individual items to decide whether LV has classified them fairly. I found that they're all branded as pieces of specialised motocross equipment, from manufacturers of the same, and are generally sold by motocross retailers. I appreciate they may have been used for other sports or in other ways, and I understand Ms C no longer owns the motocross bike. But I don't think this is enough to say that the items stopped being motocross accessories and became household goods. I therefore think LV took a reasonable view of the items and applied a fair interpretation.

With this in mind, I won't be interfering with LV's decision or asking it to do anything further.

My final decision

For the reasons given above, I don't uphold Ms C's complaint about Liverpool Victoria Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 20 August 2024.

Chris Woolaway
Ombudsman