

The complaint

Mr B complains about Aviva Insurance Limited (“Aviva”) and their decision to decline the claim he made on his cycle insurance policy.

What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mr B held a cycle insurance policy, underwritten by Aviva, when he discovered the front half of his bicycle had been taken after being locked on a bicycle rack. So, he contacted Aviva to make a claim.

Aviva declined Mr B’s claim as they didn’t think the lock Mr B used to secure his bike met the conditions of the policy he held. Mr B was unhappy about this decision, so he raised a complaint.

Mr B didn’t think Aviva’s decision was a fair one, as his bike had been locked using an additional loop which he felt upgraded the security rating of the overall locking system he used. And Mr B explained he has discussed this with the retailer of his original lock, who agreed with his position. So, he wanted Aviva to overturn their claim decline and pay at least part of his claim.

Aviva responded to Mr B’s complaint and didn’t uphold it. They maintained their position that the main lock Mr B had used, which he was able to provide proof of purchase for, failed to meet the conditions of the policy. And they didn’t agree the loop Mr B used altered their position, especially as Mr B was unable to confirm ownership of this loop as it had been gifted to him. So, they didn’t think they needed to do anything more. Mr B remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn’t uphold it. They thought Aviva’s decision to decline the claim was a fair one, based on the policy terms and conditions and the information available to them at the time they chose to decline the claim. And they explained as there wasn’t an approved claim, Mr B wasn’t eligible for the replacement cycle hire cover offered within the policy. So, they didn’t think Aviva needed to do anything more.

Mr B didn’t agree, providing several comments setting out why. These included, and are not limited to, his belief that any dual locks purchased, with both a lock and loop combined, were rated as “Gold”. So, while he accepted the lock he used was rated as “Bronze”, he felt the additional loop he used upgraded the security of his locking system overall to a “Gold” standard and he felt it was unfair not to assess his claim on this basis.

He also set out why he felt it was unfair for the loop not to be considered by Aviva because it was gifted to him and so, he was unable to provide proof of ownership.

Our investigator considered all of Mr B’s comments. But their opinion remained unchanged, reaffirming their position and providing confirmation from the testing and certificate organisation who grade locking systems, who I’ll refer to as “S”, who confirmed using a combination of lower graded locks wouldn’t upgrade a locking system classification overall.

Mr B continued to disagree and so, the complaint has been passed to me for a 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.

Having done so, I'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr B. I don't doubt Mr B secured his bike in a way he felt was appropriate. And I can appreciate he took out a policy with Aviva to protect him both practically and financially in situations such as the one he found himself in. So, when Aviva declined his claim and this left him without a functioning bicycle or the funds to purchase a new one, I can understand why he'd feel unfairly treated and choose to complain.

But for me to say Aviva should do something differently, for example reverse their original decision and accept Mr B's claim, I first need to be satisfied Aviva have done something wrong. So, I'd need to be satisfied Aviva failed to act in line with the terms and conditions of the policy Mr B held. Or, if I think they did act within these, I'd need to be satisfied they acted unfairly in some other way. In this situation, I don't think that's the case and I'll explain why.

Before I do, I think it would be useful for me to explain what I've been able to consider, and how. It's not my role, nor the role of our service, to re-underwrite Mr B's claim as we don't have the expertise to do so. Instead, it is my role to consider the decision Aviva took and decide whether I think they acted fairly, considering the information and evidence available to them at the time.

I've carefully read through the terms and conditions of the policy Mr B held. These have been set out clearly by our investigator in their original view and so, I don't intend to list them extensively again.

The policy terms and conditions clearly explain that any theft away from home won't be covered unless the security requirements have been met. Under general security requirements, it explains that the bicycle must be secured to an immovable object with an approved lock.

The policy terms and conditions go on to explain that for a bicycle of the value Mr B insured on the policy, an approved lock would need to be "silver" rated. And I note Mr B doesn't dispute the lock he used to secure his bike was in fact rated "bronze", a lower rating. So, based on the above, I think Aviva acted within the policy terms and conditions when deciding to decline the claim, as I don't think Mr B met the conditions of the policy.

But as I set out above, I've also thought about whether I think Aviva were fair to rely on the policy terms and conditions.

And I want to reassure Mr B I've thought carefully about the points he's made regarding the additional loop he used to secure his bicycle, in conjunction with the bronze rated lock, including the advice he was given by the retailer which I don't dispute.

But I note Mr B was unable to provide ownership of the additional loop, as it was gifted to him. And I think the policy terms and conditions make it clear that a claim won't be covered

where evidence of ownership cannot be provided for the approved lock. I think it's fair for this condition to be extended to the loop, as Mr B wants it considered as part of the overall locking system. So, I don't think I can say Aviva acted unfairly when not considering the additional loop when declining the claim.

But even if I was to say they should've considered this loop, I don't think this would have, or should have, changed the claim decision Aviva reached. This is because I've seen an email provided by S, who confirm that using a lock and a loop wouldn't automatically upgrade the rating of the security system overall.

So, even if the loop was considered, I think the situation would have remained the same that the lock Mr B used to secure the bike wasn't the correct rating and so, the conditions of his policy would still not have been met. Because of this, I'm unable to say Aviva acted unfairly when declining the claim.

It then follows that I wouldn't expect Aviva to provide Mr B with a replacement hire bicycle, as the policy terms and conditions make it reasonably clear this cover was only applicable if there was an approved claim. And there wasn't here. So, because of all the above, I'm not directing Aviva to take any further action on this occasion.

I understand this isn't the outcome Mr B was hoping for. And I appreciate this will leave Mr B at a financial loss, without a functioning bicycle or the funds to purchase a replacement. I want to reassure him I've considered all the points he's put forward, even if I haven't commented on them directly. This included his argument that Aviva should make part payment to him for £500, as the policy would cover up to this amount where a bicycle worth less than this value was secured using a "bronze" rated lock similar to the one he used.

But this isn't something I'm able to direct, as this isn't the intention of the policy he held or how it was designed. This payment would only be eligible if the "bronze" rated lock was used to secure a bicycle worth less than £500. Mr B's bicycle was worth more than this amount. So, this isn't something I would expect Aviva to do, nor is it something I'm able to direct.

My final decision

For the reasons outlined above, I don't uphold Mr B's complaint about Aviva Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 January 2025.

Josh Haskey
Ombudsman