

The complaint

Mr W complains about the decline of his claim made under his home (contents) insurance policy with Red Sands Insurance Company (Europe) Limited.

What happened

The background to this complaint is well known to Mr W and Red Sands. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

On 9 May 2024 Mr W's bike, a named item under the contents part of his home insurance policy, was stolen from outside his property. He made a claim under his policy and Red Sands declined it. They said although the bike was on a bike carrier/rack at the time of the theft, it wasn't secured with a rigid bike lock.

Mr W raised a complaint and as he remained unhappy with the complaint outcome, he referred it to our Service for an independent review. Our Investigator considered the complaint but didn't recommend that it be upheld. As the complaint remained unresolved, it has been referred to me 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

I'm sorry to hear of the toll having this bike stolen has had on Mr W's mental and physical health.

Have Red Sands fairly considered this claim before declining it in line with the policy terms?

Red Sands have referred to the relevant policy terms to decline his claim:

“Theft while left unattended and locked through the frame to an immovable object with a rigid bicycle or motorcycle lock.”

They've argued that Mr W hasn't complied with the policy terms. I find Red Sands decline to be fair and reasonable. I say this because; although Mr W says the bike was secured to his bike carrier - which was attached to his car, this security system doesn't reasonably satisfy the above policy requirements for theft of an unattended bike to be covered. Red Sands have not referred to or relied on the 'immovable object' part of the terms so I don't need to make any findings in relation to that wording.

Mr W says the referenced policy term is open to interpretation. He has said:

“...despite the lock being plastic, it is rigid. Many other policies specify the lock type

by bronze, silver, or gold rating, whereas [Red Sands] policy does not provide that level of specificity. This, in addition with my property being a locked and gated property containing CCTV, I strongly believe I made reasonable precautions to ensure the bike was both secure but also positioned to deter any potential thefts."

It's not within my remit to direct a business to change policy wording. I'm satisfied that this policy term was sufficiently highlighted in the policy literature at policy inception. If Mr W believed the term was ambiguous - particularly given the high value of the bike, he had the option to clarify with Red Sands after policy inception. They've confirmed no records support that any contact was made by Mr W through various channels after the sale if he had any questions about the policy terms. I accept Mr W's point that a gated property with CCTV was an additional security precaution, but this doesn't mean Red Sands have acted unreasonably when relying on the specific term here regarding bike locks.

I've also considered the complaint under our fair and reasonable remit and if the lack of the security system/locks set out under the policy terms was material to the loss here.

Having referred to the manufacturer's website it states:

"We provide locks system that reduce the risk of theft but will not constitute a total guarantee against risk of bikes being stolen....."

My interpretation of the above statement is the security measures on the bike carrier are intended to reduce the risk of theft, but it's suggested it needs to be used in conjunction with additional security deterrents. They go on to recommend the use of a 'cable lock' - but that also wouldn't satisfy the policy terms. In my opinion Red Sands have fairly considered the security system in place. I find it's more akin to a security deterrent and the lockable function serves a dual purpose - to also prevent the clamps from becoming loose when travelling.

I've also watched a tutorial video on the manufacturers website and it appears the bike carrier security works via a 'clamp' securing the bike to the bike carrier, which can be locked with a key. Additional non-locking fixings secure the bike wheels to the carrier. Mr W says he had the clamp system locked. When I've then reviewed the CCTV footage provided by Mr W, from the point of the thief approaching the bike to them removing the bike from the carrier, a very short period of time passes.

I accept Mr W's point that the footage isn't clear enough to establish whether or not a tool was used to prise open the clamp locks, but it's fair to say the thief was able to quickly remove the bike without too much difficulty at all.

Overall, I find Red Sand's claim decline to be fair, reasonable and in line with the policy terms. My decision will disappoint Mr W, but it brings to an end our Service's involvement trying to informally resolve his dispute with Red Sands.

My final decision

My final decision is that I don't uphold this complaint.

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

Daniel O'Shea
Ombudsman