

The complaint

Mr G complains that Aviva Insurance Limited declined his claim on a cycle insurance policy.

What happened

The subject matter of the claim and the complaint is a mountain bike made by a bike manufacturer. In late August 2023, Mr G bought the bike from a retailer. It came with the benefit of a warranty from the manufacturer.

For the year from late December 2023, Mr G insured the bike (and another bike) on a policy that was branded with the name of an insurance intermediary. Aviva was the insurance company that was responsible for dealing with any claim.

In early April 2024, Mr G noted a crack to the frame of the bike. He made a claim on the policy.

Much of the complaint is about acts, omissions and communications of the intermediary and other agents. Insofar as I hold Aviva responsible for them, I may refer to them as acts, omissions and communications of Aviva.

Aviva asked Mr G to get an opinion from a bike shop. On about 17 April 2024, a bike shop gave an opinion that a manufacturing defect was the most likely cause of the damage to the frame of the bike.

In May 2024, Aviva declined the claim, saying that the damage was the result of a manufacturing fault which the manufacturer's warranty still covered, so the policy excluded his claim.

Mr G complained to Aviva about that. The retailer was in a formal insolvency. On that basis, the manufacturer said that it couldn't get the retailer to do repairs under its warranty.

By a final response dated 25 June 2024, Aviva turned down the complaint. It cited the following policy exclusion:

"WHAT IS NOT COVERED

...

11. Claims where the Bicycle has suffered damage as a result of a manufacturing fault which is still covered under a manufacturer's warranty."

Mr G brought his complaint to us in early July 2024.

Our investigator recommended in late September 2024 that the complaint should be upheld. He didn't think that Aviva had applied the exclusion fairly as Mr G was unable to claim through the warranty. The investigator recommended that Aviva should:

1. settle the claim; and

2. pay Mr G £150.00 compensation

Aviva provided further information.

Our investigator changed his view in late November 2024. He no longer recommended that the complaint should be upheld. He thought that the policy wasn't in place to cover manufacturing defects and never would've covered this. The investigator referred to an insurance product information document ("IPID") that included the following:

"What is insured?

All Our policy covers are optional, so You can pick and choose the cover that You need. The below policy options are available:

- *Theft, Accidental Damage and Malicious Damage to Bicycles up to £30,000 and Accessories up to £1,000"*

Mr G disagreed with the investigator's changed opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- The insurer created the IPID wording in a new document not long after his claim.
- A family member actually caused the damage when he jumped the bike off steps. The damage was by him not a manufacturer fault.

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.

The IPID bears a date "01/07/22" and Mr G sent it to us in early July 2024. Aviva sent us the same IPID in July 2024. So I accept that this is the only relevant version of the IPID.

Moreover, the policy schedule was personal to Mr G. It said that the bicycles were insured under section 1 of the policy. Section 1 of the policy included accidental damage and malicious damage.

But – crucially - the policy didn't cover any manufacturing defect.

Aviva could only make its decision on the claim on the basis of the information it had. And I can only review whether its decision was fair and reasonable in the circumstances.

The bike shop said that a manufacturing defect was the most likely cause of the damage to the frame of the bike.

I don't consider that Aviva treated Mr G unfairly by deciding that the policy didn't cover the claim for the defect on Mr G's bike.

More recently Mr G has changed his version of events, saying that a family member damaged the bike. However, I don't consider that this helps Mr G's complaint.

The opinion of the bike shop is, in my view, more persuasive than Mr G's changed version of events. So there isn't enough evidence to persuade me that it would fair and reasonable to direct Aviva to reconsider the claim or to do any more in response to the complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Aviva Insurance Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 15 February 2025.

Christopher Gilbert

Ombudsman