

The complaint

Mr D complains that Red Sands Insurance Company (Europe) Limited declined his cycling insurance policy claim. My references to Red Sands include its agents.

What happened

In September 2023 Mr D bought cycling insurance to cover two bikes, the insurer was Red Sands.

In August 2024 one of Mr D's bikes was stolen from the garage of his girlfriend's home. He notified the police and claimed on the policy for theft of the bike. He told Red Sands - he was cleaning bikes in the garage, he closed the garage and went into the house to fit an alarm to the window, when he came out the garage door had been opened and his bike and another bike had been stolen, there was no damage to the garage door.

Red Sands declined the claim on the basis that at the time of the theft the bike hadn't been stored in the garage in line with the security conditions under the policy terms and there was no evidence of forcible entry, as the policy required.

Mr D complained to us that Red Sands' decision was unfair. In summary he said:

- His bike wasn't secured to an immovable object. It was secured with a gold standard lock to another bike which was also stolen. The requirement to have an immovable object in a garage to lock a bike to is unreasonable. It should be secure enough for the bike to be locked to another object to make it as non-removable as possible.
- The garage wasn't secured with the types of locks set out in the policy but the garage was as secure as it could be with an industrial standard, steel roller door and three alarm points. It would be unreasonable to install the required locks on the shutter because there's no fixing point and it would negate the benefit of having an electronically operated door.
- Red Sands relied on his girlfriend's address being his home address which is false.
- Red Sands didn't send an assessor to see if there had been any damage or force used to open the garage door so it couldn't reasonably say there was none.
- He gave Red Sands evidence about the garage door and about how his bikes were stored and locked when he extended the policy. Red Sands didn't tell him the garage would fail to meet the requirements of the policy. Only an expert or someone with significant experience of security would understand that the garage door didn't meet the requirements of the policy. Red Sands had a duty to point out where requirements weren't met.
- If Red Sands could rely on the requirement to have specific locks on the garage then the policy wasn't 'fit for purpose' and was mis-sold. Red Sands should draw attention to any onerous policy terms. Instead the security requirements were hidden in the small print of the policy which the average person wouldn't read or understand.

Mr D wants Red Sands to pay his claim. He says he wants the policy terms to be fair for the average policyholder.

Our Investigator considered that Red Sands had fairly declined the claim. He explained that Mr D would need to raise a separate complaint with the broker who sold the policy before we could look into whether the policy had been mis-sold to Mr D.

Mr D disagreed. He said he didn't dispute the policy wording but we hadn't fully considered the points he'd raised, on which he gave further detail.

Before I make this provisional decision I asked Red Sands to provide some further information and recordings of the phone calls between it and Mr D that he'd referred to. I'll set out the relevant information in my findings below.

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 Investigator has correctly explained to Mr D that Red Sands, the insurer for the policy, isn't responsible for the sale of the policy and that he will need to complain to the broker about his concern that the policy has been mis-sold. If agreement can't be reached between the broker and Mr D then he can ultimately complain to us to consider whether the policy has been mis-sold. I can see that Mr D contacted our Investigator about the broker's non-response to his complaint and our Investigator can give him information about next steps.

My decision is about whether or not Red Sands reasonably declined Mr D's claim.

I've considered all the points Mr D has made but I won't address all of his points in my findings, nor am I obliged to. I'll focus on the reasons why I've made my decision and the key points which I think are relevant to the outcome of this complaint.

The regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

The policy covers theft of Mr D's bikes on a replacement cost basis if:

"your bicycle is stolen from your home, or away from your home, provided you have complied with the security conditions".

The policy covers the theft of a bike at home or away from home subject to the policy terms. The security conditions are shown in the policy booklet and in a supplementary document entitled 'security conditions'.

Red Sands has confirmed to me that Mr D's bike was insured at his girlfriend's garage as being at 'Your home' for Mr D as it's his 'temporary residence' under the policy terms. The policy documents set out the security conditions required when a bike is stored 'At Your Home' and 'Away From Your Home'. In declining the claim Red Sands referred to the following 'At Your Home' security requirement:

'When Your Bicycle is kept in Your garage or outbuilding, the doors and windows must be locked. Doors that lead to the outside must be locked by a minimum 5 lever Mortice lock, and the garage roller or Up and Over door by a CEN Grade 3 closed shackle padlock, a Chubb deadlock, or a Sold Secure Silver rated Garage Door Protector or Guard'.

Mr D says although the garage door didn't have the locks required by the policy the garage was as secure as it could be. It had an industrial standard electronically operated roller door with three alarm points around the garage. Mr D says that means the garage door was more secure than if it had the locks required by the policy terms so met the 'minimum standard'.

The word 'minimum' in the policy terms relates to the mortice lock having a minimum of 5 levers, not that the locks set out in the policy terms are the minimum standard. But, on a fair and reasonable basis, if Mr D has objective evidence which shows the locking systems on the garage door provided the same or better security than the lock systems set out in the policy terms he should send it to Red Sands and it would be reasonable for Red Sands to consider that information.

However, even if Mr D could provide such evidence he would also need to provide evidence that force or violence had been used to enter the garage to steal his bike. The policy requires that the garage has to be '*securely locked*' which the policy defines as:

'all access points, including, but not limited to, doors, roofs and windows are fully enclosed, closed off and locked. Allowing for no entry points unless force or violence is used and there is evidence thereof...'

Mr D says he couldn't see any damage to the garage door. He's told us he made it clear to Red Sands that he was 'no expert' in that matter but I think Red Sands could reasonably understand from Mr D not being able to see any damage that there was no evidence of force or violence. Mr D's told us that when a loss adjuster attended about another theft from his girlfriend's garage, a week later, the loss adjuster was able to see the damage from the first break in and that the police who attended both times also agreed there was damage. If Mr D has evidence from the loss adjuster and/or the police to show that there was a forced entry then he can send it to Red Sands and it should reasonably consider the new evidence.

It's been mentioned in correspondence about Mr D's bike not being locked to an '*immovable object*' which the policy defines as:

'a solid object made from concrete or steel which is not capable of being removed or undone without specialised equipment and under or over which Your Bicycle cannot be manoeuvred'.

If Mr D's bike had been in the garage with the garage doors locked as set out in the policy terms then the bike wouldn't also need to be locked to an immovable object. The policy says a bike needs to be locked through its frame to an '*immovable object*' in '*other scenarios*' which are set out in the policy document.

As the garage from which Mr D's bike's was stolen didn't have a garage door with locks as set out in the policy terms I'd expect Red Sands to also consider the claim under '*other scenarios*'. But Mr D has been clear that his bike was locked to another bike, which doesn't meet the policy definition of '*immovable object*'. I couldn't reasonably say that another bike is an immovable object as it's easily removable.

Another of those '*other scenarios*' would be if Red Sands had said the bike being at Mr D's girlfriend's garage wasn't at his home for insurance purposes. But the bike wasn't locked through its frame to an '*immovable object*' when it was stolen, so the claim still wouldn't be covered. Red Sands hasn't disadvantaged Mr D by considering that his bike was at his home for insurance purposes.

On the evidence I have Red Sands correctly said the theft claim wasn't covered by the terms of the policy. The garage door wasn't locked with the required locks under the policy terms and there was no evidence of entry by force or violence.

I also have to consider what's a fair and reasonable outcome of the complaint in all the circumstances.

I think the policy terms were clear that if Mr D didn't meet the security conditions Red Sands wouldn't cover a theft claim. The Insurance Product Information Document, which sets out a summary of the policy, says:

'What is not insured?

Theft where you have not met the policy security conditions'.

The policy documents clearly set out what security conditions are required. Specific information is given about the type of garage door locks required. I don't agree that the requirements are hidden in the small print, as Mr D suggests. The security conditions aren't unusual for this type of policy. Red Sands can rely on those policy requirements.

I've mentioned above that if Mr D has the objective evidence to support what he says about the security of the garage door being the same or better than the policy lock requirements and use of force or violence to gain entry he should send that new evidence to Red Sands to consider.

There's also the issue of the information Mr D gave to Red Sands about how his bike was stored before the theft happened. I've listened to the calls recordings Red Sands sent. But the detailed information he gave Red Sands was in his email to it in December 2023 where he said:

'I also confirm the bike is being stored in the garage which is brick-built with secure doors (one electric main door and one side door to the garden with industry-standard external deadlocks). Whilst stored in the garage (and when outside) the bike is further secured with (details of the bikes locks)'.

Mr D also said that on 15 January 2024, before the theft occurred, he wrote to Red Sands at its request and included a photo of his bike with the garage door which clearly showed the garage door didn't have a mortice lock.

I asked Red Sands for its comments on Mr D's view that in the above email and photos he'd informed it of the storage and security arrangements for his bike and it failed to tell him those arrangements wouldn't meet the policy requirement.

Red Sands says it wasn't necessary to discuss with Mr D the specific requirements for the garage door in response to his email. The purpose of an electric garage door is to allow access without the need to exit a vehicle, but the security lock requirements remained. It confirmed the bike locks Mr D detailed were approved locks under the policy terms. Red Sands said the photo Mr D referred to shows bikes with only one side of the garage door partially shown in the background. The purpose of the photo was to verify bike ownership, not to assess the security features of the garage. Red Sands said Mr D couldn't expect it to raise concerns about the garage locks based on the photo as no locking mechanisms are visible. If it had asked him for a full image of the garage for the purpose of assessing the garage locks then failed to tell him the locks weren't compliant, that would be different but that wasn't the case.

I've considered carefully both parties' comments about whether Red Sands should have raised with Mr D the full security requirements under the policy when he gave it the information. I think Red Sands did act reasonably in not referring Mr D to the full security requirements for garage doors set out in the policy terms. I don't consider it was clear to Red Sands that by Mr D saying the garage had an electric door he wouldn't have the garage locks the policy requires. There's no evidence that Mr D asked Red Sands to approve the security arrangements he had. I also accept that Mr D couldn't reasonably expect Red Sands to raise concerns about the garage locks based on the photo he provided and without him asking Red Sands to approve the security arrangements he had.

Ultimately it's Mr D's responsibility to ensure he complies with the security conditions in the policy terms. The details of the locks required are clear in the policy terms. I don't agree with Mr D that he would need to be an expert or someone with significant experience of security to understand that the garage door didn't meet the security requirements of the policy.

Overall I'm satisfied that Red Sands fairly and reasonably declined Mr D's claim.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 20 June 2025.

Nicola Sisk
Ombudsman