

## **The complaint**

Mr F complains about the amount Alwyn Insurance Company Limited ('Alwyn') agreed to pay for the total loss of his motorbike under his motorbike insurance policy.

## **What happened**

Mr F made a claim following the theft of his motorbike. Following review, Alwyn accepted the claim and agreed to pay a total loss settlement based on a valuation of £5,500. Mr F challenged the amount, so Alwyn referred the matter to an independent engineer for further review. Afterwards, Alwyn agreed to increase the valuation to £6,000.

Mr F was still unhappy with the proposed settlement, so he made a complaint. Alwyn provided a final response to this complaint in November 2024. It said Mr F had provided examples of other motorbikes, but it didn't think these were comparable to his bike, so it had decided not to increase the valuation based on these examples. And although it had referred the matter to an independent engineer, this engineer only suggested increasing the valuation to £6,000 in the interests of reaching a settlement, rather than due to a previous undervaluation.

Mr F also said there were other costs he thought Alwyn should pay, including £1,479.04 for recent work he'd had carried out on the bike, £367.65 for the cost of insurance, £650 for his excess, and £250 of other costs such as alternative travel arrangements.

Our investigator reviewed the complaint but didn't think Alwyn had acted unfairly. She said she had checked motor valuation guides which gave a value of £5,601 on one guide, and a value of £5,145 on another guide. And although she had considered the examples of other bikes, she didn't think these were reasonably comparable examples to Mr F's own bike due to having significantly less mileage. So, she didn't think the £6,000 settlement proposal was unfair. And because she didn't think Alwyn had unfairly valued the bike, she didn't think it was reasonable for Alwyn to pay Mr F the other costs he sought.

Mr F didn't agree with the investigator's opinion. He said the valuation guides didn't provide a reflection of true market value, checking the guide 12 months after the fact isn't a like for like comparison, and it hadn't been taken into account his bike was a special limited edition which carried a higher value.

Because Mr F didn't agree, the complaint was referred 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.

I should start by saying it isn't the role of this service to work out what the exact value of a vehicle is. We instead look at whether the insurer has applied the terms of the policy correctly and valued the vehicle fairly.

I've looked at the terms and conditions of the policy. These say if the insured motorcycle is stolen, Alwyn will pay to replace it and the most it will pay is the market value. The policy terms define the market value as the cost at the date of loss or replacing the bike with one of the same, or similar, make, model, specification, age, mileage, and condition. This is consistent with how most motor insurance policies settle a total loss claim.

So, I've next considered if the way Alwyn determined the market value was fair and reasonable.

I've looked at Alwyn's valuation report. I can see from this it obtained valuations from motor valuation guides of £5,563 and £5,545. It also looked at some examples from adverts but thought these had significantly less miles than Mr F's bike, so weren't comparable.

I acknowledge Mr F's comments about motor valuation guides. But I don't think it was unfair for Alwyn to use these. It's common industry practice for motor insurers to use valuation guides. Motor valuation guides can sometimes provide a spread of different values, so it's good practice for insurers to refer to multiple valuation guides. But Alwyn did that, and the valuations the guides produced only had minimal difference between them.

Ultimately, Alwyn needed to pay Mr F an amount which would have allowed him to replace his bike with one the same, or one similar. Mr F disputed the £5,500 settlement proposal, so I would have expected Alwyn to consider his response and to increase the valuation if there was evidence to show the amount wasn't enough for Mr F to replace the bike with one of the same or similar.

Mr F says the average value of his bike based on other models of the same type is £7,364.00. But the independent engineer said in their report that the examples Mr F had provided weren't comparable since according to the most recent MOT, Mr F's bike had a mileage of 27,746 whereas the examples Mr F had provided had much lower mileages, and that it couldn't find examples online which had as high a mileage as Mr F's bike.

From what I've seen, the examples of other bikes for sale that were provided did have substantially less miles than Mr F's own bike. Higher mileage generally reduces a vehicle's market value. So, I don't think it was unreasonable for Alwyn to think these examples weren't a good comparison given that their lower mileage likely meant they had a higher market value than Mr F's bike.

Mr F says that it hasn't been accounted for in the valuations that his bike was a special edition. But looking at the valuations our investigator obtained from valuation guides, I can see these were based on the registration for Mr F's bike, and the valuation from the guide which provided the higher valuation of £5,601 identifies the bike with its special edition name. So, I don't think it's been shown the valuations weren't based on the correct type of bike.

Overall, I think Alwyn carried out a fair valuation and I don't think there's enough to show that Mr F couldn't have replaced his bike with the £6,000 total loss valuation. So, I'm not persuaded this wasn't a fair market value, and as such, I won't be requiring Alwyn to increase the settlement.

Since I don't think Alwyn unfairly valued the bike, I don't think it would be reasonable for it to pay the miscellaneous expenses Mr F requested. Mr F referred to his excess and cost of insurance, but he was required to pay these under the terms of the policy, so I won't be requiring Alwyn to reimburse these costs.

Mr F also said he'd paid £1,479.04 for recent works on his bike. Alwyn said it couldn't cover any costs for maintenance or upkeep. I don't think that was unfair since the policy terms didn't cover this cost and following the theft, Alwyn's requirement under the policy terms was to cover the market value of the bike at the time of the loss, which I'm satisfied it did.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 6 June 2025.

Daniel Tinkler  
**Ombudsman**