

The complaint

Mrs P complained that Gresham Insurance Company Limited (“Gresham”) unfairly declined her claim for the theft of a bike, under her home contents insurance policy.

What happened

Mrs P said her husband was sitting on a grassy area eating lunch. He had left their mountain bike in the shade approximately 15 to 20 feet from where he was sitting. Mrs P said the bike had a battery, which is why it was placed in the shade. The bike wasn’t locked to anything. She said a third-party drove up and engaged in conversation. After this individual had driven off the bike was noticed to be missing.

Mrs P made a claim to Gresham, which it declined. In its response to Mrs P’s complaint, it said its policy terms require the bike to be securely locked to an object that can’t be moved. Alternatively, the bike must be in her immediate custody or control. Gresham didn’t think Mrs P had complied with the terms of her policy. So, it maintained its decline decision.

Mrs P didn’t think she’d been treated fairly and referred the matter to our service. Our investigator didn’t uphold her complaint. He agreed with Gresham that Mrs P hadn’t complied with her policy terms and conditions. He didn’t think it had acted unfairly when declining her claim.

Mrs P disputed our investigator’s findings. She said the policy terms are open to interpretation and Gresham had unreasonably determined that her claim should be declined.

As an agreement wasn’t reached the complaint has been passed 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.

Having done so I’m not upholding Mrs P’s complaint. I’m sorry to disappoint her but I’ll explain why I think my decision is fair.

I’ve checked Mrs P’s policy to see what cover she had in place. The terms say:

“Contents section.. Personal Belongings – Pedal Cycles

Individual cycle limit.. Security conditions apply to cycles – please refer to your policy booklet.”

The policy booklet says:

“What’s not covered

If your schedule shows you have cover for pedal cycles they won’t be covered for theft

unless: – in your immediate custody and control; or – securely locked to an object that can't be moved; or – locked inside a concealed boot or concealed luggage compartment, all windows and sunroofs are closed and all doors, including the boot and any roof boxes, of the vehicle are locked; or – in a locked building."

I think these terms are clearly worded and are fairly common terms used within the insurance industry. I don't think these terms are unfair.

Mrs P had cover for 'pedal cycles' but this comes with security caveats. She said that when the bike was stolen it was left unlocked between 15 and 20 feet from where her husband was sitting. I acknowledge what she said about it being in sight, and that it was likely stolen as a result of a deception involving the third-party that engaged in conversation. But I don't think this shows the bike was under immediate custody and control. Similarly, Mrs P doesn't dispute that the bike was left unlocked and wasn't left in a secured car or building.

The term "*immediate custody and control*" is quite specific. I think it reasonably describes something that is right next to or within reach of the owner in this context. I don't think a bike that is 15 to 20 feet away can reasonably be described as under immediate custody or control. From the description of events Mrs P gave, it was the distance between Mrs P's husband and the bike, that allowed the opportunity for it to be taken. If the bike had been immediately next to her husband, I think it would have been much less likely to have been stolen. So, not adhering to this policy requirement had a material impact on the loss.

I note Mrs P's comments regarding the more general personal belongings insurance. But the relevant cover here is the personal belongings cover specific to pedal cycles. The security requirements I've discussed relate to this specific cover. I don't think the security requirements were met, which is why it's reasonable that Gresham declined Mrs P's claim.

In her submissions to our service Mrs P said she had been mis-sold her insurance policy. I can't see that this has been raised previously. But Gresham wasn't responsible for the policy being set up. If Mrs P wants to complain about a mis-sale she should contact her insurance broker.

Having considered all of this I don't think Gresham treated Mrs P unfairly when it relied on its policy terms and conditions to decline her claim. I'm sorry that her bike was stolen, this must have been very upsetting for her. But I can't reasonably ask Gresham to do anymore.

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 Mrs P to accept or reject my decision before 16 July 2025.

Mike Waldron
Ombudsman