

The complaint

Mr F complains that Highway Insurance Company Limited caused the loss of his motorbike following a claim made on his motor insurance policy. He wants it to recompense him for his loss.

What happened

Mr F was involved in an accident, his motorbike was damaged, and he was taken to hospital. The police recovered his bike. Mr F called Highway to make a claim. It said he was covered, and it would recover his bike from the police's storage. But this was incorrect because Mr F had Third Party, Fire and Theft cover only and so Highway wasn't responsible for his claim. It called him back, but Mr F didn't reply and so it left a voicemail message asking him to return its call. Mr F said he didn't recall this message.

Mr F called Highway some days later after he received a letter, and it told him that he wasn't covered. Mr F then left hospital and later found that his bike had been disposed of by the storage company. Highway said it wasn't responsible for his loss as it had corrected its error. But it agreed it could have done more to alert Mr F and it had paid him £50 compensation for this. It said Mr F had ample time to recover his bike after he was told Highway wouldn't cover him. It said the police hadn't warned it that the bike was going to be disposed of and Mr F should take this up with it. But the police denied responsibility.

Our Investigator didn't recommend that the complaint should be upheld. He thought Highway had made an error in giving Mr F incorrect advice. And he thought it could have done more to contact him to correct this. But he thought its compensation for this error was fair and reasonable. He also thought Mr F had had ample time to arrange for his bike to be recovered from the storage facility. So he didn't think Highway was responsible for his loss.

Mr F asked for an Ombudsman's review, so his complaint has come to me for a final decision. Mr F said he hadn't been given sufficient notice that his car would be disposed of.

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 was sorry to hear that Mr F was hurt in the accident. And I was also sorry to hear about the loss of his bike. He said this loss was about £9,000 and I can understand that he feels frustrated that Highway won't recompense him for this substantial sum.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably. I've looked at Mr F's policy and I can see that it provides cover just for Third Party, Fire and Theft. So I agree that Highway initially made a mistake when it told Mr F that he was covered, and that it would recover the bike from the police's storage company.

But I can see that Highway recognised its error on the same day and it acted to correct it promptly by calling Mr F back. Mr F was still in hospital at this stage, and I'm not surprised that he didn't recall the message it left for him. But Mr F later called Highway after he

received a letter about the claim. He was then told that he wasn't covered. But I can't see that he acted on this information.

When Mr F did contact the recovery company, he was told that his bike had already been disposed of. This was done ten days after Highway told Mr F that he wasn't covered. And so I think Mr F then had sufficient time to act to recover his bike and personal possessions.

I understand that Mr F was taking medication at the time. But he was able to call Highway. And I think he could also have called the recovery company to explain his circumstances and prevent his bike being disposed of. And Mr F was discharged from hospital four days before his bike was disposed of, and he could have acted in this time to prevent its loss.

Mr F understands that the police had instructed the recovery company, not Highway. Highway has explained that it would have acted to warn Mr F that his bike was to be disposed of if it had been told this. But it wasn't. So I think it's for Mr F to pursue this matter with the recovery company or the police if he thinks he has been treated unfairly.

Highway agrees that it could have done more to alert Mr F to its error in giving him incorrect advice. And it paid him £50 compensation for the trouble and upset this caused. I think that's in keeping with our published guidance where an error has been promptly corrected. And so I think that's fair and reasonable.

But I think Mr F had sufficient warning and time to recover his bike after Highway told him that he wasn't covered. I think this was in keeping with his policy's terms and conditions. And so I can't hold Highway responsible for its subsequent loss or require it to pay Mr F any compensation for this.

My final decision

For the reasons given above, 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 F to accept or reject my decision before 22 May 2025.

Phillip Berechree
Ombudsman