

The complaint

Mr K has complained that Millennium Insurance Company Limited (MIC) unfairly declined a claim under his bicycle insurance policy.

What happened

Mr K made a claim for a stolen bike. MIC asked for a range of information, including proof of purchase for the bike, photos of the bike rack from which it was stolen and CCTV. Mr K provided some of the requested evidence but told MIC that his father had bought the bike in cash at a yard sale several years ago and gifted it to him. He said he was unable to provide any further details. MIC declined the claim because it said its cover was for bikes purchased from a VAT registered company.

When Mr K complained, MIC maintained its decision to decline the claim. So, Mr K complained to this Service. Our Investigator didn't uphold the complaint. She said the policy was clear that it only provided cover for bicycles bought through VAT registered companies. She said MIC was entitled to decide only to provide cover for bicycles bought in that way. She said that because Mr K was unable to provide the required proof of purchase, it was fair that MIC declined the claim in line with the terms and conditions.

As Mr K disagreed, the complaint was referred to me.

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 don't uphold this complaint. I will explain why.

I should note that I'm only looking at whether it was reasonable for MIC to decline the claim. I'm aware that some of Mr K's concerns are about the sale of the policy. However, MIC didn't sell Mr K the policy. He would need to raise this with the business responsible for the sale.

MIC declined the claim because Mr K's bicycle wasn't purchased from a VAT registered company. It was purchased at a yard sale. So, I've thought about this and whether MIC acted fairly.

The policy booklet said:

"CYCLE ELIGIBILITY

We can only ensure cycles if You are able to provide evidence of ownership, Frame number and if they are:

- 1) Purchased as new or second-hand from a VAT registered company or purchased thorough a 'Ride to Work Scheme'.*
- 2) Not exceeding £15,000 in Value" (as original)*

So, a condition of cover was that the bicycle must have been bought from a VAT registered company or a ride to work scheme. I note this wording was at the top of the first page that explained the cover under the policy. So, I think this was in a prominent position in the policy wording.

It's for MIC to make the business decision about in what circumstances it will provide cover. This can be for a range of reasons, including it considering the risk as a whole, such as whether the insurer can be satisfied it was a good quality item at the time of purchase and that it was from a reputable seller. So, MIC was entitled to decide that it would only provide cover where a bicycle was purchased from a VAT registered company or through a ride to work scheme.

It isn't in dispute that the bicycle was purchased through a yard sale, rather than a VAT registered company. It's my understanding that Mr K hasn't been able to provide MIC with any further information around the purchase of the bike and has said he is unable to do so. The only evidence I've seen is a photo Mr K has said is of the bike before it was stolen. So, I don't think Mr K has been able to show it was unreasonable for MIC to rely on the policy condition about bikes being purchased from VAT registered companies.

This meant there was no cover under the policy for Mr K's bicycle. So, I think it was fair that MIC declined the claim on that basis. As a result, I don't uphold this complaint or require MIC to do anything else in relation to it.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 30 July 2025.

Louise O'Sullivan
Ombudsman