

The complaint

Mr B has complained that Red Sands Insurance Company (Europe) Limited unreasonably and unfairly refused to consider his claim under his bicycle insurance.

What happened

Mr B was taking his bicycle to a manufacturer inspection (as his bike is covered by a manufacturer inspection and replacement programme) when his rear mech hanger snapped in December 2023. In August 2024 he bought a replacement mech hanger and decided to get that fitted along with a road check and service as he hadn't used his bike much since Covid lockdowns and now wanted to get back into cycling.

However the bike shop noticed a crack in the frame in the drive seat stay, which rendered his bike frame unsafe. Mr B said this was in the same place as where the mech hanger snapped.

Mr B said he asked Red Sands would this be covered. It asked him for a report, to provide photos and to show proof of purchase along with his frame number. He duly supplied these details. The bike report said it was likely from impact damage. Red Sands then wanted the date the damage occurred, but Mr B said he wasn't sure. However, he mentioned the mech hanger snapping. Red Sands also noted the manufacturer of his bike had an 'out of warranty/crash programme' for a discount of the frame so it asked Mr B to get a quote for this. The manufacturer said they no longer do any similar type of frame, so that wasn't an option.

Red Sands then assessed Mr B's claim. Because he couldn't prove any accident date, it said it wouldn't accept his claim as it was likely to be wear and tear. Mr B is of the view that carbon fibre the material in his bike frame can't suffer wear and tear. So, he brought his complaint to us.

The investigator was of the view that Red Sands hadn't done anything wrong. Mr B remained dissatisfied, so his 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 this complaint. I do fully appreciate and understand that Mr B will be very disappointed, so I'll now explain why.

Red Sands' policy covered Mr B for theft and damage to his bike. It also covered get home cover, replacement cycle hire, personal accident, personal liability, cycle rescue, equipment and accessories and loss of earnings cover.

Accidental damage is defined in the policy as:

'Damage caused accidentally by violent and/or external means including vandalism.'

Further in this section the policy says the following:

'You must notify the ETA of all claims within 28 days of occurrence.'

The policy says:

'We will pay you against theft, accidental loss or accidental damage to your bicycle(s), providing you have adhered to the terms and conditions of this policy. Cover also applies if theft or damage occurs while the bicycle is used by any member of your family (provided you have given them your permission).'

'This cover includes racing, pacemaking, time or reliability trials, triathlons, or whilst practising and/or training for any of them.'

Under 'what you are covered for' the policy says:

'We will pay the cost of repair, or pay the cost of replacement as new, or, at our discretion, arrange for repair or replacement to be effected. Our liability shall not exceed the insured value detailed on your ETA schedule, less any excess.'

Effectively therefore, Mr B has to show an accident occurred to his bike causing the damage claimed. This is called the 'insured event.' The bike report said it *may* [my emphasis] have been caused by impact damage. On the basis of Mr B's testimony there was no such accident which occurred to his bike other than the mech hanger snapping back in December 2023. From what Mr B said about that, there didn't seem to be any accident that occurred then either. I gather some of the reasons for a mech hanger breaking could be from excessive force on the gears or where the chain gets stuck due to debris. I also gather mech hangers are designed to break to protect the frame if the bike falls over too.

Mr B said his bike was subjected to a couple of falls in his home where his bike has been kept, but I have no evidence of any incident dates when this happened or how it happened. Therefore, I don't consider this is clear evidence of an accident, which is required under this policy, namely an identifiable event causing damage to his bike.

So, Mr B hasn't shown when any accidental damage happened to his bike to crack the frame at the drive seat stay or indeed reported that accidental damage within 28 days. Mr B's testimony is very clear that he didn't know anything was damaged until he took it to the bike shop for a service. So essentially, he doesn't actually know how his bike frame was damaged.

Red Sands rightly explained it needed the proximate cause (in other words evidence of an insured event) of the frame failing. This is because it needed to have occurred by virtue of an accident (via a violent means) for the accidental damage cover to be operative and indeed activated. Without any evidence of any accident, the policy doesn't respond to a claim for the replacement of the bike or even the frame. There is no cover listed in the policy for damage to a bike to be covered otherwise. So that means just because the bike is damaged doesn't mean a claim can be made. It must have been damaged in an accident which includes including vandalism.

No insurance policy covers every eventuality as that would be impossible to list all instances and indeed price for all these instances too. So, insurers decide what risks they wish to

cover and indeed in which circumstances and what risks they don't want to cover. This is part of their commercial discretion and permitted by the regulations and indeed the Financial Conduct Authority.

Here Red Sands will cover damage to the bike from an accident to include vandalism. It won't cover damage for the bike if it's not known how the damage occurred. So, there needs to be some evidence of the accident happening for the cover to be then provided. Mr B can't remember any accident occurring at all. He can remember his mech hanger breaking but that can break for reasons other than an accident too, so the fact it broke doesn't prove any accident occurred. Certainly, Mr B's testimony over the mech hanger breaking didn't describe any accident where the bike hit anything or anything hit the bike.

So, on that basis (leaving aside the policy condition that Mr B should report any incident within 28 days of it occurring) there is no evidence of this bike being involved in any accident causing the frame to be damaged as it was discovered by the bike shop. I've seen no evidence that the breaking of the mech hanger would consequently then damage the carbon fibre frame. My understanding is that mech hangers break to protect the frame, rather than damage it.

I consider it wasn't particularly helpful of Red Sands to then mention wear and tear given Mr B's bike frame is made of carbon fibre. However, I do understand it can still deteriorate dependent on the specific matrix (usually epoxy) holding the fibres together. The epoxy can degrade for a variety of reasons also. However, I don't consider any of this is that relevant to Mr B's claim save for the fact carbon fibre can under some circumstances degrade or deteriorate.

Mr B can only claim for damage to his bike if he can show an accident occurred. He hasn't been able to show any accident occurred as he is completely unaware of any accident occurring with his bike. Therefore, without showing that, I don't consider Red Sands did anything wrong in declining his claim as the policy only responds to repair or replace the bike if it was damaged in an accident. It is always for the policyholder to prove his claim is covered by the policy, and here, I don't think Mr B has shown that.

My final decision

So, for these reasons, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 August 2025.

Rona Doyle
Ombudsman