

## **The complaint**

Mr I has complained about the market value settlement Zurich Insurance PC paid for his claim under his motorcycle insurance policy.

All reference to the insurer Zurich in my decision includes its agents.

## **What happened**

Mr I's motorbike was damaged in an incident and he made a claim to Zurich. Zurich settled Mr I's claim as a total loss, so it paid the market value for his bike.

Mr I said the settlement didn't reflect the value of his bike as it was a limited edition and didn't take into account its modifications.

One of our Investigators thought Zurich's decision to settle the claim with a market value of £12,500 (minus the excess) had been reached fairly and in line with the policy.

Mr I didn't agree. He provided an undated letter from a manufacturer of the bike which gave a valuation of £11,999.

The Investigator said the letter didn't change his view. Mr I asked for an ombudsman 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.

We don't decide a valuation. But we can look at whether an insurer has reached its valuation reasonably and in line with the policy.

Mr I's policy with Zurich says the most it will pay in the event of a claim is the market value of his bike at the time of loss.

Generally we find the motor trade guides to be a reliable way to reach a valuation as they provide guides based on the same make, model, age, mileage and condition.

In this case, as Mr I's bike was a limited edition with modifications, so I agree that the trade guides are not a reliable tool to decide a final valuation. But they are a starting point.

Mr I has provided examples of adverts for similar bikes. Due to how rare it is, the examples are limited and only one advert similar to Mr I's bike is UK based. This advert is for a bike the same year as Mr I's bike and similar mileage, advertised for £11,995. Mr I says that this example doesn't have the modifications he added to the bike in 2021, which cost over £5,000 (including labour).

One of Zurich's engineers said it used the motor trade guide as a starting point, but increased the valuation by adding 70% of the value of the modifications from 2021. This brought the total loss valuation to £12,500. And its engineer spoke to the manufacturer dealer to assist in reaching a fair valuation.

The undated letter Mr I has provided from the manufacturer gives a valuation guide for Mr I's bike of £11,999. The letter says with the modifications Mr I added to his bike, it may be worth more. There is no reasoning or supporting evidence behind the figure provided.

I've looked at the valuation provided by Mr I from an independent valuer. This doesn't indicate how they arrived at a valuation of £13,230, other than to say it is based on internet research.

It isn't an exact science to decide a fair valuation. But taking everything into account, I find that Zurich's engineer properly considered the modifications and limited edition of Mr I's bike – and obtained advice from a manufacturer dealer. Having done so, I think the valuation it reached of £12,500 is within the range of reasonable. It is higher than the trade guides and provides a second hand value for the modifications.

### **My final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint. I think Zurich's final valuation of £12,500 was reached reasonably and in line with the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 12 June 2025.

Geraldine Newbold  
**Ombudsman**