DRN-5777022

The complaint

Mr T complains that West Bay Insurance PLC avoided his motorbike insurance policy and refused to pay his claim. Mr T was also unhappy about poor customer service.

What happened

The history to this complaint is well known to the parties, so I won't repeat all the details here. In brief summary, Mr T took out bike insurance in July 2022. The policy was to cover a classic scooter which Mr T had converted from petrol to electric, using an 'off the shelf' kit he'd purchased from a specialist company. The policy was sold via a broker and automatically renewed in July 2023. Unfortunately, in April 2024, Mr T had an accident, subsequently making a claim on the policy.

West Bay say that when he originally took out cover, Mr T didn't fully disclose all the modifications made to the bike. It considered the non-disclosure to be a careless qualifying misrepresentation, which entitled it to avoid the policy but return the premiums paid.

Mr T brought his complaint to the Financial Ombudsman Service. Our investigator concluded that the complaint should be upheld. But West Bay disagreed and asked for an ombudsman's decision.

Earlier in August 2025, I issued a provisional decision. In it I said:

> 'I don't intend to uphold this complaint. I know this news will be disappointing to Mr T and I'm sorry about that. I'll explain my provisional reasoning below, focusing on what I consider to be the central issues. So if I don't refer to something specifically, it's not because I haven't thought about it. Rather, I don't think it changes my provisional outcome.
>
> 'Firstly, I'll deal with the customer service issues raised by Mr T. I'm aware that Mr T also complained to West Bay about poor customer service, including delays in handling his claim, a lack of communication and the provision of incorrect information. West Bay acknowledged it could've done better, awarding compensation of £350, by way of apology. Understandably, Mr T was keen to have his claim resolved as quickly as possible, with minimum disruption. I think West Bay's apology and compensation reasonably acknowledges the frustration and inconvenience caused to Mr T.
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> 'Moving now to the substantive issue of the policy avoidance, the relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer.
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> 'And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is - what CIDRA describes as - a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer has to show it would have offered

the policy on different terms or not at all if the consumer hadn't made the misrepresentation.

'CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.

'Mr T originally took out the policy by phone in 2022, auto-renewing the following year. West Bay has said the auto-renewal took place without any direct contact from Mr T. I've seen evidence that Mr T was sent his new 2023 documents and advised to read them carefully to ensure they were correct and met his requirements. The policy documents list 'non-standard engine' as a modification. No other modifications are recorded.

'During the original sales call, Mr T disclosed that he'd converted his bike from petrol to electric. But West Bay said he failed to take reasonable care not to make a misrepresentation, by not disclosing the full extent of the modifications undertaken to make the conversion. The undisclosed modifications included changes to the rear wheel, brake and swing arm.

'I've listened to the sales call. Mr T originally speaks to a customer service agent. He's clear from the start that he's looking to insure a bike that's been converted from petrol to electric. Once the basic details of the bike are established, Mr T is asked if there are any other modifications, to which he replies 'no'.

'Mr T is subsequently transferred to another agent for a new quote. More specific details about the make and model of the bike are confirmed. Again, Mr T is clear the bike has been converted from petrol to electric. The call continues as follows:

> *Agent: any accessories or modifications? I'm assuming you've done a few things to the vehicle, would that be correct?*
> *Mr T: Well I've tried to keep it as original, so...*
> *Agent: Yeah, that's fine, other than, obviously the engine, erm…*
> *Mr T: Nothing, no.*
> *Agent; Yeah, no, so other than that, it's just been converted to electric, but that's it?*
> *Mr T: Yeah, that's it.*

'Both Mr T and West Bay have referred to information available on the website of the company that provided the kit Mr T used to convert his bike. I've reviewed this information myself. The description of the conversion kit includes the following:

> *'Our electric conversion kit for classic [make] scooters includes a 4kW DC brushless electric motor, sinusoidal motor controller, rear disc brake, custom made swing arm and battery tray, along with a key-less ignition, digital battery gauge, LED headlight conversion and all the necessary cables. The whole kit is powered by either one or two removable LG lithium-ion batteries.'*

'I can understand Mr T's argument that changes made to his bike were all part of the conversion from a petrol engine to an electric motor. He argues that the issues West Bay has raised as non-disclosures – such as a different swing arm, back wheel and rear brake - are '*all connected to the process of replacing a petrol engine with an electric motor.'*

> ‘But I don’t think it is reasonable to see the changes from the bike’s original specification as only one modification from petrol to electric. This was not simply removing a fuel tank and replacing it with a battery. Adaptations to other components and systems were necessary to accommodate the change from a petrol engine to electric power.
>
> ‘I’m satisfied Mr T was asked clear questions about modifications and had the opportunity to explain the conversion process in more detail. Therefore, I think he didn’t take reasonable care not to make a misrepresentation.
>
> ‘West Bay has provided evidence of its underwriting guide and approach to show what would’ve happened if Mr T had fully disclosed the extent of the modifications to his bike. And in those circumstances, West Bay would not have offered cover at all. Given that the non-disclosures would’ve made a difference, I’m satisfied Mr T’s misrepresentation is a qualifying one.
>
> ‘West Bay has treated Mr T’s misrepresentation as careless, rather than deliberate or reckless. In the circumstances, I agree this is the appropriate categorisation. As West Bay would not have offered cover at all, it has avoided Mr T’s policy from July 2023, treating it as if it had never existed. I understand West Bay has refunded the premiums paid, less any fees charged by the broker. This is the action it’s entitled to take under CIDRA. In light of this, I think West Bay has acted fairly regarding Mr T’s claim and policy. I don’t intend to ask it to do anything more in respect of this complaint.’

I’ve now received responses from both parties.

West Bay accepted my provisional decision.

Mr T did not, maintaining he had taken reasonable care when answering West Bay’s questions, stressing that *‘I did not make any modification, undisclosed or otherwise to the petrol/electric conversion kit that I purchased.’* And again stating *‘there are not modifications to the vehicle which do not relate to the petrol/electric conversion, there are not undisclosed modifications.’* Mr T argued that it would be unreasonable for him to provide further details to West Bay relating to the petrol/electric conversion.

Mr T did not make any additional remarks regarding the customer service issues, so there’s no need for me to make any further comment about that matter.

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 do appreciate the significance of this complaint for Mr T. When he first came to the Financial Ombudsman Service, Mr T explained that, as a hobby he’d restored his bike *‘to original condition/specification before replacing the old petrol engine with an environmentally friendly electric motor conversion kit.’*

Mr T has said that any undisclosed modifications would not have contributed to the accident he had and would not have given the vehicle a greater risk for insurance. I understand Mr T’s argument, but an insurer is entitled to decide the circumstances in which it is – and isn’t – prepared to offer cover. And the central issues here are whether Mr T took reasonable care not to make a misrepresentation and whether, with full disclosure, West Bay would have been prepared to insure Mr T's bike.

Mr T argues that in disclosing the bike had been converted from petrol to electric he effectively made a full disclosure. But I still disagree. Mr T needed to take reasonable care to disclose any modifications to his bike. From the evidence Mr T's provided, I'm satisfied he would've understood the extent to which his bike had to be altered to accommodate the electric motor. He had the opportunity to detail those changes when applying for insurance. The modifications affected a number of the bike's systems and components, with consequent variation from the original specification.

So having thought again about everything, I remain of the view that West Bay's decision to treat those non-disclosures as a careless qualifying misrepresentation was reasonable. Full disclosure would have resulted in cover not being offered. I'm satisfied West Bay acted fairly and in line with CIDRA in avoiding Mr T's policy and refunding his premiums.

It follows I'm not asking West Bay to do anything more in respect of this complaint.

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 Mr T to accept or reject my decision before 23 September 2025.

Jo Chilvers
Ombudsman