

The complaint

Mr R has complained that AWP P&C S.A.'s settlement of his claim under his bicycle insurance does not put him back in the position he ought to be in following his bicycle being damaged in an accident.

References to AWP P&C S.A include all its agents.

What happened

Mr R bought a bike for £12,046 to be used in sporting events which he insured with AWP. About a month later his bike was damaged in an accident and he made a claim to AWP.

AWP wanted to repair the frame, using its carbon restoration experts, which would invalidate his manufacturer's warranty. Mr R is also worried that such a repair would affect the bike's specific attributes. He would prefer if AWP would provide a new frame which it is understood will cost £5,000 or alternatively pay him the value of the bike of £12,046.

AWP refused as its policy provides the claim settlement decision is theirs. As it wouldn't change its stance, Mr R brought his complaint to us. The investigator ultimately didn't uphold Mr R's complaint as AWP had proposed to settle his claim within the terms and conditions of the policy.

Mr R 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 understand and appreciate Mr R will be very disappointed so I'll now explain why.

First, under the Financial Conduct Authority (FCA) regulations, Mr R bought this policy on what's called an 'unadvised basis'. Therefore the only duty on AWP and its broker or policy administrator is to ensure the level of cover was detailed and available for Mr R to consider before he chose to buy the policy. It was for Mr R, and Mr R alone, to decide if the policy terms met his specific needs. Most importantly, once he has chosen a policy, he is also deemed to have agreed to the terms and conditions.

Also under the regulations, insurers are entitled to decide what risks they want to insure and what risks they don't want to insure. This is part of their commercial discretion. So unless the terms and conditions show that what is being claimed by Mr R is insured, then quite simply the policy doesn't provide cover for anything else.

My role is to consider what if anything AWP has done wrong in dealing with his claim under the terms and conditions of the policy to which Mr R agreed when he decided to buy this

policy. I have no authority to tell insurers including AWP what they must insure or how they should deal with or settle any claim beyond the policy conditions (to include appointing carbon restoration experts), which explains what is covered and how any claim will be settled.

The policy which Mr R decided to buy for his bike specifically says the following:

HOW WE CHOOSE TO SETTLE CLAIMS

*For any **pedal cycle, accessories helmet or clothing** that is lost or suffers **accidental or malicious damage** we will choose whether to:*

- *Replace or repair the item or part,*
- *Pay the cost of replacing or repairing the item or part, up to the amount it would have cost us to replace or repair using **our** suppliers, or as a last resort,*
- *Make a cash payment.*

IT'S UP TO US

- ***We** won't pay more than the amount it would have cost **us** to repair or replace via **our** suppliers.*
- ***We** do not have to use any **pedal cycle** dealer or distributor nominated or selected by **you**.*
- *...*
- ***You** must accept that **we** may appoint a specialist, including carbon restoration experts, to investigate, repair and restore any **pedal cycle** claim on **our** behalf.*
- *...*
- ***You** must accept that in the event of repair, **we** are not liable for the loss of warranty.*
- *...*
- ***We** reserve the right to request **you** make use of a manufacturer crash replacement guarantee if available to **you**.*

WHAT WE'LL PAY

PARTIAL LOSS

- *The most **we** will pay is limited to the value of the damaged item(s) claimed for rather than up to the full **pedal cycle** replacement cost as new.'*

In its final response letter to Mr R AWP also detailed the following:

When a carbon bicycle frame has suffered damage, it is our policy to send the bike to a carbon specialist for assessment.

[Name of repairer] have the equipment and expertise to test the structure and integrity of carbon bicycle frames which local bicycle shops and distributors do not. This can aid us in two ways:

The carbon specialists are able to test the integrity of carbon parts for damage which might not be visible or obvious. Where a bicycle has been involved in an accident but doesn't show physical damage, they are able to guarantee its function and safety. Where carbon has visible damage, they will advise whether the most cost effective option would be to carry out a repair on the carbon or purchase a replacement. The carbon specialists we use also have in house bicycle mechanics who are able to provide the same assessment on components such as group sets and pedals.

Where a carbon specialist recommends a repair, we only accept that option if they are able to guarantee that the repair to the carbon will be indistinguishable aesthetically from how the bicycle was pre-crash, including matching the frame geometry, paintwork and decals. The bicycle performance must also be unaffected, and the carbon specialist must be able to guarantee their repair for the life of the bicycle. If the carbon specialist can satisfy these three things, and the repair is more cost effective than a replacement, we will seek to repair the frame. [Name of repairer] work completely independently of ourselves - there is no ulterior motive for us to use them other than for professional assessment, repair and rebuilding.

...

Structural and performance integrity:

The repairer guarantees the structural integrity and performance of the frame post-repair, including lifetime warranty on their work. The carbon layup and geometry will be restored, and the bike will be safe and functional for continued use. The absence of manufacturer certification does not invalidate this expert assurance.

...

You raise a concern that without manufacturer-level testing, any claim of restored function is anecdotal. While we understand your point, we must respectfully disagree with this view.

[Name of repairer] are an established carbon fibre repairer used widely across the cycle insurance industry. Their work is based on engineering expertise and industry repair standards. They offer a lifetime warranty on their carbon repairs, and their process includes structural inspection, internal reinforcement, geometry checks, and visual refinishing. These practices are not anecdotal but grounded in proven repair methodologies applied across numerous high-end carbon frames.

Insurers are not required to replicate manufacturer testing protocols to validate a repair. The test of indemnity is whether the insured bicycle is returned to a safe, functional condition, not whether the item is restored to its original retail factory certification. No policy terms require ISO or OEM-level recertification for a repair to be valid.'

The fact that AWP (rather than Mr R) chooses how the claim is settled is not unusual and is common in other policies, such as motor policies. So I don't find this significant. It's generally normal for insurers to retain the decision-making process on how claims are settled in this way, as of course they are dealing with such claims on a daily basis and any policyholder is not, consequently their knowledge and expertise is considerable.

So when Mr R took out this policy and agreed to pay his premium, he agreed that AWP is the entity that decides how a claim is settled and that AWP is not responsible for any loss of warranty given the repair, and that carbon restoration experts may be instructed. I am assuming that the bike Mr R chose to buy didn't have any manufacturer crash replacement guarantee, as so many manufacturers offer, given AWP hasn't asked him to use that instead.

AWP following its inspection of the damage and in consultation with its carbon restoration experts, has agreed that Mr R's bike is capable of being repaired and that repair will be done by its carbon restoration experts who AWP said are not only experts, but who also provide a lifetime guarantee of their work. This is in line with the policy terms which Mr R decided to buy to cover his bike. Mr R, in buying this policy, agreed to such an appointment of such carbon restoration experts too. If Mr R didn't like the fact that his bike might have to be repaired using this method, then he was under no obligation to buy this policy.

From AWP's file, it appears the top tube (crossbar) is viable to be repaired, along with replacing the saddle, RH shifter, bracket cover for LH shifter and bar tape giving Mr R a choice of different bar tapes. The total claim value was £1,980.62 with Mr R paying the excess of £100 inclusive of the repair of the top tube by AWP's carbon restoration experts. This is in line with the policy terms and conditions. Mr R hasn't proffered any evidence to show me that this doesn't produce a repaired bike following the accident that Mr R was involved in or proffered any evidence showing the top tube repair should not be repaired. Instead, Mr R details that the repair fails to restore the original value of his bike. However this isn't specifically insured by this policy at all unless the bike is either stolen or completely damaged beyond repair. Bike accidents just like car accidents can tend to reduce the overall value of the bike and/or car given the structure was damaged in the accident. However Mr R hasn't provided any evidence showing that the repair of his top tube in this way reduces the value or that it will affect its performance. Conversely instead AWP has detailed the expertise of its carbon restoration experts along with their warranties and guarantees.

Further, this policy does not provide a 'new for old' replacement of either the bike or its damaged parts in the manner that Mr R is inferring. The more usual manufacturer's crash replacement does that instead. The limit of indemnity in this policy, given the claim arose out of an accident, is to repair what can be repaired and replace what can't be repaired. It's clear from AWP (who is the sole decision maker on how the claim will be settled in any event), that Mr R's bike was repairable and not a total loss. If it had been a total loss then the policy would pay the total loss value as insured of £12,046.

Therefore there is no evidence to show me that AWP has done anything wrong as regards the provisions of the terms and conditions of the policy.

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 R to accept or reject my decision before 6 March 2026.

Rona Doyle
Ombudsman