

The complaint

Mr O complains that Society of Lloyd's (SoL) unfairly declined a claim he made on a motorbike insurance policy following the theft of his quad bike.

What happened

The details of what happened here are well known to both parties, so I'll briefly summarise them here:

- Mr O insured a quad bike with SoL.
- The quad bike was stolen from Mr O's property by a group of thieves who gained access by damaging Mr O's property and removed locks, chains and anchor mechanisms from the quad bike.
- When he made a claim, SoL declined cover as it said an endorsement of the policy which required the quad bike to be kept in a garage hadn't been adhered to.
- At the time of the theft, the garage at Mr O's property had been knocked down, with the intention of rebuilding it.
- Mr O complained to SoL and when it rejected his complaint, he contacted our service.
- Our investigator thought SoL's decision hadn't been reasonable, as Mr O had taken reasonable steps to protect the quad bike when storing it in a garage wasn't possible.
- SoL didn't agree, saying that the endorsement was clear and hadn't been complied with. It asked for an ombudsman's decision.

After completing my initial review, I didn't think Mr O's complaint should be upheld. I considered SoL's decision to decline cover for the claim had been reasonable. I issued a provisional decision giving my reasons, and offering both parties the opportunity to respond and make any further points.

My provisional decision

In my provisional decision, I said:

As I've said, the facts of what happened here aren't disputed. Both parties agree that Mr O's quad bike was stolen at a time when there was no garage at his property. Instead, he'd taken a number of precautions to try to prevent the theft, including through the fitting of various security devices, locks and anchors. At the same time, it's accepted that Mr O's policy did include an endorsement which required the quad bike to be kept in a garage when it was at the property.

The endorsement says:

"You have agreed that you will keep your vehicle in a locked garage or building either at your home address or at the address declared to us when the vehicle is not being used. If a theft or attempted theft of your vehicle happens within a 500 metre radius of your home address or the garaging address when the vehicle is not in a locked garage or building, we will not pay any claim you make for that theft or attempted theft."

Having reviewed the policy documents, I'm satisfied that this endorsement is suitably clear and couldn't be considered misleading. It's also sufficiently prominent in the documents, given its importance and the impact it has on potential claims. I conclude that Mr O knew, or should reasonably have known, about the endorsement when he took out the policy and by entering into the contract of insurance was agreeing to abide by this endorsement. At the time he took out the policy, Mr O had a garage at the property and the evidence I have is that he kept the quad bike in this. However, he's said (and SoL doesn't dispute) that the garage was in need of repair and so as part of works to build an extension at the property, the garage was knocked down with the intention of a new one being built.

So it's clear that at the time of the theft, the quad bike was at Mr O's property but not in a garage. That is, put simply, a breach of the endorsement and on that basis SoL declined the claim. However, I do need to consider whether that was a fair and reasonable response to the circumstances and there are, I think, a number of factors which need to be looked at.

Firstly, I think it's fair to say that Mr O is entitled to carry out works to his property and as part of those works decided to knock down the existing garage. I accept he intended to construct a replacement but I don't have any indication of a timeframe for that to have happened, and I don't think that timeframe is particularly relevant.

What is relevant is that (as I've said above) Mr O knew, or ought to have known, that the quad bike needed to be kept in a garage. He also knew that, having knocked down the original garage that this wouldn't be possible until a new one was built. It follows that a reasonable course of action is that Mr O could, or should, have contacted SoL to explain the situation. We asked SoL about this. It confirmed (and provided information from its underwriting criteria) that if Mr O had contacted it to say the quad bike couldn't be stored in a garage at the property due to the building work, then it would no longer have been able to offer cover.

I think this is significant, as it demonstrates that, having decided to knock down the existing garage, if Mr O had taken reasonable steps to inform SoL of this, he'd have been aware that the policy could no longer provide suitable cover. It seems likely that in those circumstances, he'd have sought alternative cover elsewhere without a similar endorsement.

Nonetheless, I've also looked at the condition and thought about whether the obligation to keep the quad bike in a garage was too onerous or impractical. I can't agree it was. The purpose of the endorsement would seem to be that it places an obvious physical barrier between a prospective thief and the quad bike, as well as hiding it from plain sight. As I've said, the condition was suitably prominent in the policy and clearly worded so that the only reasonable interpretation was that the quad bike needed to be kept in a garage when at Mr O's property.

Finally, and I think most significantly to my decision here, I've looked at the various steps taken to secure the quad bike in the absence of the garage. These included (but weren't limited to):

- Securing the bike with a ground anchor.
- Chaining the quad bike to a trailer.
- The property being surrounded by a fence.
- A vehicle parked in front of a gate which provided access to the property.

I'm conscious that part of Mr O's reasons for taking this level of precautions was that he was aware the quad bike was no longer able to be kept in the garage and there had been previous attempts to steal it. He's also detailed the level of damage the thieves had to cause to his

property, and to the chains, locks and other items used to secure the quad bike in order to effect the theft.

I think it's fair to say that Mr O did take additional steps to protect the quad bike, but that doesn't negate the endorsement which was set out. It also seems to me to have been a reaction to his acceptance that the natural security provided by the garage (which I've detailed above) was no longer available.

I'm aware Mr O argues that his actions made the quad bike more secure than if it had been kept in the garage (which he describes as offering less security due to its condition) but I don't think I can safely make that conclusion. I accept different steps had been taken to secure the quad bike, but these were of a different nature to the garage, which provided a physical barrier to potential thieves. That same barrier wasn't provided by the additional steps Mr O took by, for example, securing the quad bike to a trailer. I can't agree the additional security provided by Mr O sufficiently removed the requirement for the quad bike to be kept in a garage, as stated by the endorsement.

So on balance, I do think that SoL acted reasonably when it referred to the endorsement and Mr O's failure to comply with it in its decision to decline the claim. It's clear the endorsement required the quad bike to be kept in a garage, and it was stolen at a time when it wasn't. As I've explained, it was fair to rely on this, notwithstanding the steps taken by Mr O.

For these reasons, I've reached a different conclusion to our investigator, and think SoL's decision to decline cover for Mr O's claim was fair. I appreciate this will come as a disappointment to Mr O, and I don't underestimate the impact the theft has had on him (and his wife, who was threatened by the thieves). However, the endorsement did apply and I'm satisfied there were options available to him (not least contacting SoL prior to knocking down the garage) which weren't taken.

The responses to my provisional decision

Both Mr O and SoL responded to my provisional decision. SoL accepted my conclusions, but Mr O didn't. In summary, he argues:

- The garage was less secure than the measures he took, due to its condition.
- The reason for demolishing the old garage was the lack of security it offered following three previous attempted thefts.
- The replacement concrete garage, for which planning permission had been granted, would be more secure, but required the demolition of the existing structure.
- He decided in the circumstances it wasn't appropriate to inform SoL and didn't realise there was the relevant endorsement requiring the quad bike to be stored in a garage.
- His actions made the bike more secure.

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've every sympathy for Mr O's situation here. I understand that being told that his claim wouldn't be covered would add further upset and frustration to the impact of the theft itself. I also appreciate that in the event of the claim not being covered, he'll suffer a significant financial loss. However, those alone aren't reasons for me to say SoL acted unreasonably.

I've reviewed the findings from my provisional decision and I remain satisfied that Mr O's complaint shouldn't be upheld. The majority of the points he made are already addressed by

what I said previously, but for the sake of completeness I'll comment on them briefly again.

I note Mr O's continued contention that his actions made the bike more secure than it would have been if the garage hadn't been demolished. Unfortunately, as I've outlined, I'm satisfied the garage, regardless of its condition, formed a physical and visual barrier that the additional measures taken simply could not. I acknowledge different steps were taken to secure the quad bike, but that doesn't negate the need for it to have been stored in a garage.

Mr O's said he wasn't aware of the endorsement requiring the quad bike to be kept in a garage. I'm satisfied the endorsement itself was suitably prominent in the policy documents and was worded in a clear, unambiguous way. I think it's reasonable to say Mr O should have been aware of the endorsement and SoL's obligations in terms of the wording and prominence of the endorsement in the policy documents had been met.

Finally, Mr O says he "decided" not to notify SoL of the removal of the garage. I can't accept that was reasonable. The quad bike had been stored in that garage and had been the subject of three attempted thefts. An endorsement of the policy required Mr O to keep the bike in a garage, and he ought to have been aware of that. The removal of the garage was, in my opinion, a fundamental change in the risk and one which SoL should have been informed of. If it had been, the evidence is that it would no longer have offered cover to Mr O. I can't ignore that.

While I know how disappointing the outcome will be for Mr O, I do think SoL's decision to decline cover for his claim was fair.

My final decision

I don't uphold Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 11 December 2025.

Ben Williams
Ombudsman