

The complaint

Ms D is unhappy with the decision by Hiscox Insurance Company Limited (Hiscox) following a claim on her cycle insurance policy.

What happened

Ms D purchased a bike in 2018. Ms D held a cycle insurance policy with Hiscox. The policy terms and conditions explained:

We will not make any payment for:

2. theft from your home unless:

*g. the cycle and accessories are contained within a cycle hangar and the cycle is secured through the frame by an **approved lock** to an immovable object; or*

*5. any theft or damage to your cycle or accessories where you cannot provide us with **evidence of ownership**.*

The definition of approved lock explained 'c. where the cost of replacement of your cycle as new is more than £1,500: 'Sold Secure Gold' grading level.'

The definition of evidence of ownership explained:

Evidence of ownership The original purchase receipt, showing the name and address of the seller, the date of the sale, the price paid and details of the cycle, accessories and approved lock or any other evidence which demonstrates your ownership to our satisfaction.

In October 2022 Ms D reported her cycle stolen. Ms D sent a completed claim form, with photos evidencing her cycle, and the locks used, in support of her claim. The claim form recorded '*I have three locks for my bike, a wheel lock, my bike, motorbike covered chain lock (used) and a K lock (used) covered multi wire.*' Ms D searched online to look for images of the type of lock and keys used to secure her bike with. The images sent by Ms D were for a '[brand K] Evolution 1090 Integrated Chain'. Ms D also sent photos of the keys used from her keyring set. These photos included multiple keys.

In December Hiscox asked Ms D to provide '*receipts for the locks and/or any images of the bike showing the locks being used.*' Ms D responded saying '*Images of K lock and covered lock. I do not have receipts this was also mentioned in claim / discussions and email correspondence... The images requested were for the two locks on the bike.*'

On 8 December Ms D sent two photos which showed two different silver keys with a black plastic covering. The first key showed the black covering had an indent in the middle with a rectangular shape. No text was visible on this key. The second key showed a curved black covering, and a circular indent with the letter 'K' in the middle. On this photo, Ms D had typed '[brand K] key, not main one. came with three keys. Lock cost appx £70.'

On 9th February Hiscox asked for additional information *'to attempt to identify the type of lock and that this complies with the locking requirements under the policy.'* Ms D advised *'I'm not sure which key is for which lock. That is all of the keys, one has a k on it, another is a secure digital cut key, think they are called, for heavy motorbike lock, I think... . These were a high anti-theft gauge; I don't remember the number...'*

Locks

- ☐ *Security : 8/10*
- ☐ *Locking Mechanism : Key*
- ☐ *Sold Secure Rating : Gold*

- ☐ *Security : 7/15*
- ☐ *Locking Mechanism : Key*
- ☐ *Sold Secure Rating : Bronze*

I can't be precise; these are the two lock grades which were on the bike.'

On 13 February Ms D sent an email with two online links to evidence the locks used on her bike. These links were for a '[brand A] Centuro...' lock (sold secure bronze), and a '[brand K] New York Fahgettaboudit Chain... And NY Disc Lock Sold Secure Diamond.'

In March Ms D's broker sent a further image to Hiscox provided by Ms D for the type of key used. There was a close up of the key with the black design which had an indent in the middle with a rectangular shape. On this image Ms K had typed '[brand K] key, spare...(unable to read text) Came with 3 keys.'

Hiscox wrote to Ms D rejecting her claim. The decision letter explained the reason for this was because Ms D had not provided sufficient evidence to show she had met the policy terms to make a successful claim- namely meeting the policy terms relating to the type of lock used to secure Ms D's bike at the time of the reported theft.

Ms D was unhappy with Hiscox's decision, and so brought her complaint to the Financial Ombudsman Service for investigation. The investigator found that Hiscox had acted fairly in reaching their decision on Ms D claim because of the lack of evidence supporting Ms D's claim for her stolen bike.

Ms D didn't agree with the investigator's findings saying (amongst other things) *'They of course have evidence of inconsistencies on my part, as they asked me repeatedly for the same information, or slightly changing questions they had already had answers to. Over a period of months. Why was my evidence not asked for? To prove their intimation and inconsistencies that they issued to me about my bike... I paid my fees for over two years; I had my bike securely chained with "gold standard" locks... I also explained that I did not have a couple of the main original keys, each lock had come with one long fob like key and three standard keys on purchase, a couple of the fob keys had been lost over the years, I was using the standard keys.'*

During our investigation Hiscox provided additional evidence in support of their decision to decline Ms D's claim. This included a link to '[brand K] Keeper 1018 Key Cable Lock with Bracket.' The link showed the key used for this lock. The key shown for this lock matches the key shown in the photos provided by Ms D during the claims process. This is the same key that Ms D had told Hiscox about on 8 December 2022 saying '[brand K] key, not main one. came with three keys. Lock cost appx £70.' The cable lock shown to match this key is not a 'Sold Secure Gold' grading level lock as required under the terms of Ms D's policy.

As the complaint couldn't be resolved it was passed to me for decision.

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'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that's been provided. Ms D feels strongly that Hiscox have treated her unfairly by rejecting her claim. I thank Ms D for taking the time to explain her personal circumstances and everything that's happened since the theft of her bike. I understand it has been a difficult time for Ms D.

When we investigate a complaint about an insurer's decision on a claim, our role is to consider whether the insurer handled the claim in a fair and reasonable manner. So I've considered the evidence to determine whether Hiscox have acted fairly and reasonably in reaching their decision on Ms D's claim.

Ms D says that her bike was secured with a '*Sold Secure Gold*' grading level lock, and Hiscox have acted unfairly by rejected her claim. Hiscox maintain that their own investigation of the evidence provided by Ms D does not support what Ms D has explained about the type of lock used to secure her bike with at the time of the reported theft.

When evidence is contradictory or inconclusive (or both) I have to make a finding on the balance of probabilities. That is what I find is most likely to have happened in view of the available evidence and wider circumstances.

Like most insurance policies, Ms D's insurance policy requires the policy terms to be met in order for Hiscox to accept a claim. I've seen that because of the value of Ms D's bike, Ms D's policy required Ms D to use a '*Sold Secure Gold*' grading level lock when securing her bike. While Ms D feels strongly that this was the type of lock she had used on her bike, the evidence I've seen doesn't reasonably support this.

At the very start of the claim Ms D completed a claim form in support of her claim. At the same time Ms D sent images of the type of lock used to secure her bike with. I've seen that the image sent was for a brand K lock that would reasonably meet the requirements of the policy as it is a Sold Secure Gold grading level lock. In line with the policy terms Ms D was asked for proof of purchase of this lock. Ms D explained she didn't have this. Ms D said she purchased her bike around 2018. Given the length of time that had passed, I don't think it was unreasonable for Ms D not to have had this evidence. But I think it was reasonable for Hiscox to continue with their investigation to determine if any other evidence could be used to support Ms D's testimony about the type of lock used to secure her bike with.

Hiscox requested for Ms D to provide images of the key used to secure her bike with. I'm persuaded it is this evidence that is crucial to this complaint in the absence of Ms D providing documentary evidence of her proof of purchase of the locks and keys used. In December 2022 Ms D emailed Hiscox a photo of a key with a curved black covering, and a circular indent with the letter 'K' in the middle. On this photo, Ms D had typed '*[brand K] key, not main one. came with three keys. Lock cost appx £70.*'

The brand Ms D had referenced sells '*Sold Secure Gold*' grading level locks. But because of the security strength of the lock that Ms D had referenced in her claim form, it is common for the accompanying key to be of a very specific type, including its shape and specification.

These keys are usually programmable, so that the in-built security features can be utilised in the event of theft. I have seen that the key provided by Ms D in support of her claim in December 2022, doesn't reasonably match the key type usually used with a brand K 'Sold Secure Gold' grading level lock- especially in connection for the lock that Ms D had referred to in her claim form as being used to secure her bike with.

The key that Ms D had provided in December 2022 in fact matches a different lock, also sold by brand K. This lock is a '[brand K] Keeper 1018 Key Cable Lock with Bracket.' An online search of this lock shows that the key for this lock is strikingly similar to the photo of the key provided by Ms D in December 2022. I'm satisfied, on balance, that it's more likely than not, that the lock used to secure Ms D's bike was a similar specification and secure rating to the '[brand K] Keeper 1018 Key Cable Lock with Bracket'. Importantly, this lock is not a 'Sold Secure Gold' grading level lock as required under the terms of Ms D's policy.

I have seen that later in the claims process, Ms D provided another photo, showing a different key. This key had a black covering which had an indent in the middle with a rectangular shape. On this image Ms K had typed '[brand K] key, spare...(unable to read text) Came with 3 keys.' This key is completely different to the key Ms D had previously described as belonging to the brand K lock used on her bike. Given the discrepancy in the information provided by Miss K in support of her claim, and insufficient evidence to support the policy terms for using a 'Sold Secure Gold' grading level lock had been met, I'm persuaded Hiscox's decision to decline Ms D's claim is fair and reasonable.

I accept Ms D's comments about the number of information requests from Hiscox during the claims process. Ms D feels that Hiscox unfairly rejected her claim for different reasons throughout the claim. I've seen that at the start of the claim, Hiscox's investigation was focused on whether the make and model of Ms D's bike was covered by the policy. This resulted in further questions being asked to Ms D. Although I can appreciate the inconvenience caused to Ms D by Hiscox's continual requests for further information, I'm satisfied this information was being requested in order to fairly assess Ms D's claim.

Ms D says that once it was confirmed that her bike spec met the policy terms, Hiscox's investigation turned to the type of locks used. I can appreciate how Ms D felt that Hiscox were asking lots of questions for what she thought was a straightforward issue. However, Hiscox needed to determine whether the lock used by Ms D met with the policy requirements. So although I accept the discussion and information requests on the type of locks and keys used lasted many weeks, I'm satisfied Hiscox's actions were reasonable, and in line with what this service would expect when dealing with a claim of this type.

Ms D has explained '*I also explained that I did not have a couple of the main original keys, each lock had come with one long fob like key and three standard keys on purchase, a couple of the fob keys had been lost over the years, I was using the standard keys*'. I've carefully considered Ms D's comments. Throughout the claims process, although Ms D has maintained using a brand K lock to secure her bike, the type of lock that Hiscox needed to see evidence of in order to pay Ms D's claim, was a 'Sold Secure Gold' grading level lock. Based on the different (and contradictory) links, photos, and comments made by Ms D on the lock and key used on her bike, I'm satisfied Hiscox have acted reasonably in informing Ms D that there's insufficient evidence to support that the policy terms have been met.

I appreciate that this will come as a great disappointment to Ms D. But insurance policies do not cover every eventuality, and this is one of those circumstances, where I can't see that the terms of the policy have been met. For this reason, I can't say that Hiscox have acted unfairly or unreasonably in declining Ms D's claim. Because of this, I won't be asking Hiscox to do anything in settlement of Ms D's complaint.

My final decision

For the reasons provided I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 5 December 2023.

Neeta Karelia
Ombudsman