

The complaint

Mr and Mrs E complain about Royal and Sun Alliance Insurance Limited (RSA) who declined their claim under their home insurance policy.

What happened

Mr and Mrs E owned a bicycle (with a sum insured value of £5,100) that was specified on their home insurance policy held with RSA. Mr and Mrs E made a claim on the policy, following the theft of their bike. RSA considered the claim but declined it as it said that Mr and Mrs E hadn't complied with the policy terms and conditions, in the way that they had stored the unattended bike. In that they had failed to secure it to an immovable object or within a building.

Mr and Mrs E said that they had secured the bike to a lock that had been cut by the thieves. The bike had been attached to an eyelet (that hadn't been cut) and it had been inside their vehicle, which was very heavy and so immovable. They said as the lock had complied with the policy terms, and the vehicle was immovable, RSA had been unfair to decline their claim.

In its final response, RSA maintained its position and said that as Mr and Mrs E hadn't complied with the policy terms, the decision to decline the claim was correct. Mr and Mrs E were given their referral rights and referred a complaint to our service.

One of our investigators considered the complaint and thought it should be upheld. She said that Mr and Mrs E had done all that they reasonably could've done, to ensure the security of the bike and she recommended that RSA reconsider the claim.

Mr and Mrs E accepted the view, RSA did not. It reiterated the terms and conditions of the policy, and that Mr and Mrs E hadn't complied with them. It said it was unreasonable for it to have to reconsider the claim, given that it was clear that the policy terms were not followed. So, it asked for a decision from an ombudsman.

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 considered the complaint, and I thought the complaint should be partially upheld. I issued a provisional decision on 17 August 2023 and asked both parties to send me anything else by 14 September 2023. In my provisional decision I said:

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of the complaint.

Having done so, I'm minded not to uphold this complaint. I understand that this is likely to be a disappointment for Mr and Mrs E, but I hope my provisional findings explain why I think this is fair.

I have considered all the comments from both parties, as well as the policy terms and conditions. It isn't in dispute that Mr and Mrs E's bike was stolen. Nor is it in dispute that they made a claim that RSA declined. What we have to do is assess whether RSA's actions were unreasonable and unfair. And in doing so (in this complaint) we must have course to the terms and conditions of the policy. So, I've carefully reviewed them (as this is essentially the agreement between both parties) to see if RSA were unreasonable or unfair to apply the terms to the claim.

I have reviewed the policy schedule and I can see that Mr and Mrs E specified the bike with a sum insured value of £5,100. On page 15 of the policy wording document, it states:

'We will not pay for: Loss or damage to pedal cycles unless in a building or securely locked to an immovable object'.

I've had a thought about what this means. From the evidence, it is clear that the bike wasn't in a building at the time of the theft. So, this part of the term, I think, isn't relevant. But the issue here is whether it was securely locked to an immovable object.

I have looked at the policy to see if there is a definition as to what an immovable object is. There is not. Mr and Mrs E said that the sheer weight of the car that the bike was in at the time, made it an immovable object.

RSA said that an immovable object is fixed and cannot be moved, such as a shed, bike rack or even a lamp post.

Where there is a dispute, we apply the ordinary definition of what is meant by immovable. And I'm persuaded that an immovable object is one that is fixed and cannot be moved. A car by its very definition, irrespective of its weight, can be moved.

In addition, there is a specific condition within the policy that relates to specified bikes. It takes into account the insured value of the bike and states:

'Theft or attempted theft in respect of unattended pedal cycles specified on your policy schedule exceeding a value of £4500, will be excluded unless the cycle is secured to a permanent structure by a "Sold Secure" gold or silver graded approved lock designed for pedal cycles'.

Whilst I accept that Mr and Mrs E had secured the bike with a silver graded approved lock, I don't think that this was the only condition that they had to meet. The bike would have to be secured to a permanent structure. A car I think cannot be deemed a permanent structure. Further, I should point out that this condition runs in conjunction with the policy terms. Consequently, when considering if RSA were unreasonable or unfair to decline the claim, at this stage I'm not persuaded that it was.

Finally, I have also considered whether Mr and Mrs E took reasonable steps to ensure the security of the bike. And I don't think they did. So, I'll explain why.

Mr and Mrs E said that the bike was in their vehicle, albeit locked with an approved lock. They provided me with images of the vehicle that the bike was stolen from. It's clear that the vehicle has windows, so the bike was on view to the thieves. If anything, given the insured value of the bike, I would've expected Mr and Mrs E to have taken even more care.

Currently, I think the policy terms and conditions are clear and I haven't seen enough evidence from Mr and Mrs E as to why the policy terms and conditions were not complied with. Consequently, at present, I don't think that RSA were unreasonable or unfair to decline their claim. If, however, Mr and Mrs E have any other evidence that is contrary to this, I will of course consider it.

Responses to my provisional decision

RSA accepted the provisional decision.

Mr and Mrs E made further comments for me to consider. The comments are summarised as follows:

- They said that the bike wasn't on show as the vehicle it was in, had a solid back and heavily tinted rear window.
- They said if the bike had been left by a lamp post, then it would be easier for the thieves to have stolen the bike. Either by removing wheels on the bike or removing the battery. Both of which can be used for spare parts.
- They believed that they had taken more care to stop the thief because they had secured the bike to the car and not in view, around a lamp post.
- They felt that the policy was outdated in its understanding of the value and ease of stealing certain parts.

I have carefully considered Mr and Mrs E's further comments and they haven't changed my mind. So, I will explain why.

In my provisional decision, I asked Mr and Mrs E to provide me with further evidence as to why the policy terms and conditions were not complied with. They said that they felt that the bike was more secure as it had been in the vehicle, which was very heavy and difficult to move and had tinted windows, which meant that the bike wasn't on show.

Mr and Mrs E also provided me with an image of the bike. I'm unclear if the colour of the stolen bike was the same as the image provided. But if it was, then I think it was quite a vibrant colour. And as the bike was in the vehicle, I don't think all of the windows of the vehicle would've been heavily tinted. So, I think it's likely that the thieves must have been able to see the bike, in order to steal it. Consequently, I'm not satisfied that enough care was taken, as the bike was clearly visible to the thief.

Mr and Mrs E also commented that they felt that the policy was outdated in its understanding of the value and ease of stealing certain parts from the bike. Although I sympathise with their position, they had the opportunity to ensure (even after they had purchased the policy) that the cover met their needs, as there was a 14-day cooling off period. I would have thought that had the policy not met their needs, then alternative cover would've been obtained. But this wasn't done here.

I have reviewed the policy terms that are applicable and in particular the need to ensure the bike was attached to an immovable object, with a specific lock. I can't agree that the vehicle could be deemed immovable (despite Mr and Mrs E having secured it with the correct lock). So, looking at the condition, I can't agree that Mr and Mrs E complied with it. Nor can I agree that RSA was unfair or unreasonable to decline the claim, under the policy terms and conditions.

I acknowledge Mr and Mrs E's strength of feeling about this complaint and the reason why they referred it to our service. But, in the overall circumstances of this complaint, I haven't seen enough evidence to show that RSA acted unfairly or unreasonably, by declining their claim. I'm therefore not going to tell it to do anything further here.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs E to accept or reject my decision before 13 October 2023.

Ayisha Savage
Ombudsman