

The complaint

Mr C has complained about Liverpool Victoria Insurance Company Limited (LV). He isn't happy that it failed to insure his vehicle properly when he took out his motor insurance policy.

What happened

Mr C took out insurance for his vehicle through a comparison website. When his policy came up for renewal he was surprised to find that LV had recorded his vehicle details incorrectly, although it had recorded the correct vehicle registration. To make things worse it wouldn't cover his type of vehicle anyway. And it went onto renew his policy when it was clearly aware of the problem and that it didn't provide cover for his type of vehicle.

So Mr C complained to LV. It accepted it was responsible for the error in relation to registering the wrong vehicle details on the policy and for renewing the policy when it shouldn't have done. LV said it would provide cover for the year as it was clearly its error, it ensured everything was refunded that was owed in relation to the policy renewal and offered £200 compensation as a gesture of goodwill. But Mr C remained unhappy, so he complained to this service.

Our investigator looked into things for him but didn't uphold the complaint. Although he accepted that LV had got things wrong he thought it had taken reasonable steps to put things right once it was aware of the problem. And so he didn't ask LV to do anything more.

As Mr C remained unhappy the matter has been passed to me for review.

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 have a fair degree of sympathy for Mr C and I understand his frustration and suspicion about LV. He feels LV has taken his money even though he wasn't insured but that isn't the case. And he feels he should be compensated for the potential stress and embarrassment he could have faced had he been stopped for driving without insurance.

Although I can understand Mr C's suspicions about LV it has said it will provide insurance cover for him and it is, in effect, on cover for the time it had the incorrect details recorded. It is possible there is a claim from that period still out there which hasn't been reported yet, although I accept this is unlikely, and LV would still have to cover that claim, especially as the correct vehicle registration details were recorded. So I think it is fair for LV to retain the premium Mr C paid as it has provided cover.

Plus, I'd like to reassure Mr C that this service would've expected LV to cover any claim that happened during that period. And provide him with a letter of indemnity if he was stopped by the police for driving without insurance. I say this as it isn't disputed that Mr C hadn't done anything wrong and LV made the error.

So I'm satisfied LV has taken reasonable steps here to put things right and taken ownership of its error which is good to see. Turning to any compensation that Mr C should be paid I can see LV offered Mr C £200 as a gesture of goodwill. I know Mr C would like more and feels that LV's offer shouldn't be considered here. But LV offered £200 as it knows it caused Mr C a fair degree of stress and inconvenience. And as this is in line with the kind of award I'd ordinarily have made I'm not asking LV to do anymore.

I know Mr C feels that this doesn't cover any possible embarrassment or the threat that driving without insurance could've had on his career. But this service only looks to compensate for the actual stress and inconvenience a customer faced because of the mistake the insurer made. Had any of these things happened then I would've looked to compensate for this. Fortunately Mr C didn't face any additional stress or inconvenience and so I'm satisfied that LV's goodwill payment of £200 is sufficient to cover the actual stress Mr C faced.

So, although I know this will come as a disappointment to Mr C, I won't be asking LV to do anything more.

My final decision

It follows, for the reasons given above, that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 November 2020.

Colin Keegan
Ombudsman