

## The complaint

Ms M complains about the delays Liverpool Victoria Insurance Company Limited (LV) caused in her claim made on her motor insurance policy. She wants it to repair her car, provide her with a courtesy car or write off her car.

## What happened

Ms M's car was damaged in an accident, and she made a claim on her policy. It took three weeks for LV to recover her car to its repairer. And it took six months for LV to obtain the parts needed for the repair. Ms M was without a car in this time, and she thought LV should have provided a replacement. LV agreed that it had delayed recovering her car and paid her £75 compensation for this. But it said it wasn't responsible for the lack of parts and Ms M wasn't entitled to a replacement car under her policy.

Our Investigator recommended that the complaint should be upheld. He thought LV's compensation for the initial delay was fair and reasonable. And he thought it wasn't responsible for the lack of parts. But he thought it should have looked for other options when the parts weren't available, and Ms M was without transport. He thought it should pay Ms M compensation for loss of use from a month after the accident until her car was repaired.

Ms M replied that she agreed. But LV replied that it had acted within the policy's terms and conditions. It said Ms M hadn't paid for the replacement car option. LV asked for an Ombudsman's decision, so the complaint has come to me for a final 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 can understand that Ms M felt frustrated that it took so long to repair her car and she was left without transport during this time. Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

LV has agreed that it should have recovered Ms M's car to its repairer sooner than it did. And it offered her £75 compensation for this. I think that was fair and reasonable for the impact this delay had as the parts needed for repairs wouldn't have been available in any case. I can see that Ms M declined this offer, but LV confirmed that it remains available if she wants to receive this.

It took six months for LV to repair and return Ms M's car. Unlike many other policies I've seen, Ms M's policy doesn't automatically provide for a courtesy car whilst her car is being repaired. This is only provided if the consumer pays for this optional extra. And I can see that Ms M didn't pay for the replacement car option on her policy. The policy booklet explains on page 14 that:

*"Section 6 Guaranteed hire car (if shown on your personal details)*

*If this section is included on your personal details, we'll guarantee a hire car when:*

- *your car is with our recommended repairer service until it's fixed: or*

*• up to 21 days or until 4 days, after payment has been given to you, whichever is soonest (if your car is a total loss)...*"

So I would usually say that Ms M wasn't entitled to a replacement car under her policy's terms and conditions. But I don't think that would be fair and reasonable in Ms M's particular circumstances. I'll now explain why I think this.

LV has an obligation to deal with claims fairly and promptly. I agree that it's not responsible for the global shortage of parts and the delay in their provision as this is outside its control. But I'd expect LV to be mindful of the impact the delay in locating parts was having on its consumer and to take steps to mitigate this.

I've looked at LV's claim notes. LV knew that Ms M's car was immobile and unroadworthy due to the accident. And I can see that after Ms M's car was recovered to its repairers it contacted her about her complaint about this delay, but not again. But Ms M said she was receiving updates from the repairer, and it kept putting the repair date back. Three months after the accident, Ms M complained to LV that her car was still with the repairer with no completion date, and she was without a courtesy car.

I think it was unreasonable for LV to expect Ms M to wait indefinitely for her car to be repaired. I agree with our Investigator that we'd normally expect repairs to be completed within a month and, as Ms M didn't have hire car replacement on her policy, then she wouldn't be entitled to a car within this time.

But I think that after this month the delay in obtaining parts became unreasonable, and as there was no end date, then LV should have been looking at providing Ms M with hire. And after several months' delay, then LV should have been looking at other alternatives to settle her claim, such as declaring the car to be a total loss or making temporary fixes. But it didn't do this, and Ms M was left reliant on public transport for six months. And so I think LV should put things right.

LV has provided a previous decision issued by our service which said that LV wasn't responsible for loss of use where the parts delays have been outside its control. But we consider each complaint on its individual merits, and I can see there are significant differences between this case and Ms M's circumstances.

Our Investigator recommended that LV should pay Ms M £10 a day for loss of use of her car from a month after the accident until her car was repaired and returned to her. This was 149 days and so I'm satisfied that LV should pay Ms M £1,490 for her loss of use of her car due to its delays.

### **Putting things right**

I require Liverpool Victoria Insurance Company Limited to pay Ms M £1,490 compensation for the loss of use of her car caused by its delays in her claim, and £75 compensation for her distress and inconvenience (as it's already offered to do).

### **My final decision**

For the reasons given above, my final decision is that I uphold this complaint. I require Liverpool Victoria Insurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 17 November 2023.

Phillip Berechree  
**Ombudsman**