

The complaint

Mr H and Mrs J complain that Liverpool Victoria Insurance Company Limited trading as LV provided poor service while dealing with their claim, and accepted liability following a collision, without considering all the circumstances.

What happened

In January 2023 Mrs J was involved in an accident. She was reversing out of a car parking space in a supermarket and she was hit by a third party car which she says was going too fast.

LV told Mrs J that they were looking into it and that they would obtain the CCTV from the supermarket. However, this didn't happen, and in April 2023 LV settled third party repair costs of £1820.08 without viewing the CCTV.

Mr H and Mrs J were unhappy with this and also with the increase in renewal premiums. They complained that LV had delayed in requesting the CCTV footage, and didn't see how they could accept liability without viewing it.

LV looked into the complaint, and they offered Mr H and Mrs J £200 for the trouble and upset caused, they also removed and allowed her no claims bonus.

Mr H and Mrs J were still unhappy about this and brought their complaint to us.

One of our investigators looked into Mr H and Mrs J's complaint but thought that LV had acted fairly.

Mr H and Mrs J disagreed with our investigator's view, and so the case has come to me to 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 to decide whether LV have acted fairly and reasonably and in line with the terms of the policy in accepting liability on the claim, and the service they have provided.

I've carefully considered the information provided by Mr H and Mrs J and LV. I'm upholding this complaint and directing LV to pay the £200 they have offered and I will explain why.

Acceptance of liability

At page 12 of the terms and conditions of the policy it says:

We're entitled to:

- *Have total control to conduct, defend and settle any claim;*

This means that under the terms of the policy, LV are entitled to settle a claim as they see fit, provided they do so fairly and reasonably, even if it goes against the wishes of the policyholder.

So, I've looked at how LV have proceeded when dealing with the claim and thought about whether they have acted fairly and reasonably.

I can see from the claim notes that at the outset, Mr H and Mrs J maintained that Mrs J wasn't to blame as she was reversing out of her parking space carefully and the third party came out of another parking space at speed and hit Mrs J. They say that they think the CCTV is vital in supporting their account of matters.

LV did tell Mr H and Mrs J at the outset that when a driver is reversing, they are expected to exercise greater care, and will usually be liable for any collision. They said that even if they obtained the CCTV footage from the supermarket, their view may not change.

However, they did agree to obtain it and review matters. Mr H decided to hold off on getting the repairs done until liability was established and he gave LV the details of where to obtain the CCTV from. LV eventually requested it in March 2023 and Mr H was unhappy with this delay in making the request.

I can see from the claim notes that LV regularly chased the CCTV, and that in May, they paid a fee at the supermarkets request, but the CCTV wasn't forthcoming. A file was sent at one point, but despite efforts to open it, it wasn't possible as it was corrupted and LV requested another copy.

In April 2023 LV settled third party repair costs of £1820.08 without viewing the CCTV. This was because without it, they were not in a position to contest liability.

I don't think that LV have acted unfairly in settling the claim at this point. As it says in their terms, they can settle claims as they see fit, and they had tried to obtain the evidence, even though it was likely the outcome would be unchanged. LV have continued to chase the CCTV and presumably will go back to the third party insurer if it shows anything different.

Service issues

To resolve Mrs H and Mr J's complaint, LV issued their final response in June 2023 in which they accepted that there had been some service failings and issued Mr H and Mrs J with a £200 payment to compensate for this. LV also agreed to waive the excess on Mr H's own repairs and record the claim as NFA with No Claims Discount not impacted.

There was some delay in LV requesting the CCTV, but as far as I can see, the way that LV have now recorded the accident puts Mr H and Mrs J back in the position they would have been in with a no fault claim. Any premium increase would then be attributable to normal market increase, so I think that on balance, this is a fair outcome for the service failings. I understand that Mr H and Mrs J are unhappy with this outcome and that they sent the £200 payment back to LV. They have made it clear that they want the third party to pay for their repairs.

I can appreciate how strongly Mr H and Mrs J feel about this, and I can see why they might consider the fault lies with the third party. However, I hope that I have explained why I am satisfied that LV have reached their decision fairly and reasonably.

Putting things right

LV have already made an offer to pay £200 to settle the complaint and I think this offer is fair in the circumstances, so I think they should now pay this.

My final decision

My final decision is that I'm upholding Mr H and Mrs J's complaint about Liverpool Victoria Insurance Company Limited, and directing them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs J to accept or reject my decision before 14 March 2024.

Joanne Ward
Ombudsman