

## **The complaint**

Ms M and Mr M have complained that when they called about a claim under their motor insurance policy Liverpool Victoria Insurance Company Limited (LV) did not explain that the replacement car they were going to be provided with would be on credit hire and what the full implications of this were.

Ms M and Mr M are also unhappy about the lack of support provided by LV once they found out the hire car company had involved solicitors to try and recover the cost from the third party insurer. As far as they are concerned, the whole process has been very distressing for them over a long period and they put most of this down to LV's lack of support.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- I've listened to a recording of the call Mr M made when he first notified LV of his accident, which included the handler also speaking with Ms M at one point. And I agree with our investigator that the handler wasn't clear enough on the fact that Ms M and Mr M were stepping outside their contract of insurance and LV was not organising the hire car for them. If anything the adviser gave the impression LV would be handling everything. And I can see why Ms M and Mr M wouldn't have realised that if there was a problem recovering the cost LV wouldn't really be able to provide them with much support.
- The adviser also wasn't clear enough on the fact that if anything went wrong with this process and Ms M and Mr M were unhappy about it they would be unlikely to be able to complain to an alternative dispute resolution service, such as the Financial Ombudsman Service about the hire car company or its agents. And he failed to make it clear that LV would not be responsible for the hire car company's actions.
- In addition, the handler made no mention of the possibility of Ms M and Mr M being provided with a courtesy car instead of a hire car, when this would have been another option.
- However, I do think – bearing in mind Mr M's situation – if the handler had explained everything fully - he and Ms M would still have agreed to go with the hire car option. I say this because Mr M was a key worker at the time and needed to get a replacement car as quickly as possible. And getting a courtesy car would probably have taken a bit longer.
- In view of this, I do not think it is appropriate to hold LV responsible for any poor service provided by the hire car company or their solicitor around the recovery action. But I do think the distress caused to Ms M and Mr M when they unexpectedly had to deal with this without much support from LV caused them unnecessary distress and

inconvenience. And this was because of LV's handler's failure to explain things fully at the outset.

- I also agree that when Mr M reached out to LV for help it gave him the impression it would take over and try to resolve things, when this was always going to be difficult for it. And then LV didn't do as much to assist as I'd have expected. I say this because it did very little once the solicitors pushed back on its initial approach and it didn't really keep Mr M informed in the period just after this. This also caused Ms M and Mr M distress and inconvenience.
- So, while I can't hold LV responsible for everything that went wrong in the hire car and recovery process, I think what it did get wrong caused Mr M and Ms M significant distress and inconvenience. And I agree with our investigator that compensation of £300 overall is appropriate for this.

### **Putting things right**

For the reasons set out above, I've decided to uphold Ms M and Mr M's complaint and make LV pay them a further £200 in compensation for distress and inconvenience.

### **My final decision**

I uphold Ms M and Mr M's complaint about Liverpool Victoria Insurance Company Limited and order it to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M and Mr M to accept or reject my decision before 30 October 2024.

Robert Short  
**Ombudsman**