

The complaint

Mr H has complained about the way Liverpool Victoria Insurance Company Limited trading as LV= (LV) has dealt with his claim under his motor policy for the costs of damage to his car whilst it was parked.

What happened

Mr H had parked his car. And when he came back to it, he said that someone had damaged it. So, he made a claim to LV to have the damage repaired. Initially Mr H couldn't understand why he would have to pay any excess. LV said it explained that since there are no details of who caused the damage to Mr H's car, therefore if Mr H wanted LV to repair the damage, he needs to pay the excess.

Initially also, LV was going to arrange to take his car to an approved repairer but given Mr H's concerns about this, plus issues about whether the head light was damaged in the same accident, it decided that an independent engineer's inspection was more appropriate. Mr H complained that LV's engineer accused him of effectively lying or not telling the truth about the fact that he believed the damage to the headlight was caused in the same accident.

But there have been problems in arranging the independent engineer's inspection as Mr H alleges that he was asked to be available for the entire working day which wasn't possible given his work. Therefore, Mr H brought his complaint to us. Effectively Mr H wanted the repairs to be carried out at a garage of his choice, both areas of damage to be accepted under the same claim and compensation of £5,000 for the way he has been treated. The investigator partially upheld Mr H's complaint. She said given the contents of the call with LV's engineer LV should pay Mr H £50 compensation. However, she was of the view that unless LV was able to arrange the independent engineer's inspection, Mr H's claim couldn't be progressed.

LV agreed with the investigator's view, but Mr H did not. He said that LV should pay £5,000 compensation for the way its engineer talked to him and all the distress it has caused him in not inspecting his car and clarifying that all the damage will be repaired under one claim. He also wanted his car to be repaired at a different garage. He subsequently said the independent engineers LV had appointed were working for LV and might not be independent.

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'm partially upholding this complaint along the same lines as that of the investigator. I appreciate and understand Mr H will be very disappointed with my decision. But I'll now explain why I've made this decision.

My role is to decide whether LV are proposing to deal with Mr H's claim in accordance with the terms and conditions of the policy. And if not, what it has done wrong. The policy indemnifies Mr H if his car is damaged. If, as is the case here as the car was parked, Mr H doesn't know who caused the damage to his car, then Mr H has to pay the excess and the claim will be recorded as a claim on Mr H's insurance record. This is because there is no other party from whom LV can claim its costs for repairing Mr H's car.

However also under this policy, as detailed in the Insurance Product Information Document (IPID) it details what Mr H's obligations are under the policy.

There are as follows:

'If you need to make a claim you must provide us with full details as soon as possible. Failure to meet your obligations could result in a claim being rejected, we may reduce the amount of payment we make, or we may cancel your policy.'

Then in the policy document, it says the following at page 3:

'Giving us the correct information

It's important you give us correct information as we could cancel your insurance back to the start date and/or not pay a claim if you don't.'

On page 11 and 12, it says the following:

5. Accident and claims procedure

- *co-operate and give us all the information relevant to your claim to help us validate and process it such as purchase receipts, valuations, photographs and reports;*

...

You must not, without our consent:

...

- *make your own arrangements for repair or replacement.*

We're entitled to:

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

So, in choosing LV as his car insurer, Mr H has effectively agreed to all of these terms. And more importantly LV are therefore fully entitled to rely on these terms in order to deal with Mr H's claim.

Like the investigator, I'm only going to discuss what I consider is relevant here. As we are an informal dispute resolution service, I'm permitted to do this, so as to provide the resolution to Mr H as quickly as possible. No disrespect is meant by failing to discuss every point Mr H has made. Essentially his car was damaged when it was parked, and he wants LV to pay the costs of repairing it.

For LV to agree to repair any damage or to pay the costs of repairing any damage, it is fully entitled to validate the extent of Mr H's claim. There is a question mark over whether it was likely that the damage to the headlight could have happened in the original incident given what LV's engineer says in the call recording. I appreciate Mr H disputes this but that doesn't mean LV then isn't allowed to check it out.

The only way to do this is to have the car examined. LV have offered to instruct an independent engineer to do this after Mr H didn't want any approved repairer to look at his car. I've seen correspondence dating from 7 March up to 4 April from LV trying to get the inspection of Mr H's car organized. And indeed, two dates were also offered to Mr H by the independent engineer for between 8am and 10am on each date which Mr H didn't appear to answer. So, I don't consider Mr H's contention that he had to be free for an entire working day to be correct. LV also offered to do the inspection at a garage of Mr H's choice and even said it wasn't necessary for him to be there given his working patterns. Therefore, I don't consider LV has done anything wrong here. It's entitled to inspect the car before it agrees to pay for the damage. And this service cannot dictate any precise method to either LV or the independent engineer about how they should go about that. I have no authority to get involved with standard business practices in this way.

It's useful to remember LV didn't cause the damage to Mr H's car, some unknown other person did so. Consequently, there is always some element of inconvenience in such things but that isn't LV's fault. So, if Mr H wants LV to pay for the cost of the repair to his car, he has to let LV validate his claim and permit the independent inspection.

Mr H has alleged that the independent engineer isn't independent, but he hasn't provided any evidence of this. Independent engineer reports in claims concerning damage to a car being claimed under motor policies is fairly standard. The company being used by LV is used throughout the motor insurance industry and is a separate company unconnected to LV. So, there's nothing to show me it isn't independent, other than LV and not Mr H is paying the cost of their services, which is to Mr H's advantage.

Again, there is always an inconvenience in arranging such inspections of damaged cars and it remains if Mr H wants the costs of the damage to his car to be paid by LV, then he must let his car be examined. He could instruct his own engineer to inspect his car, but Mr H would have to fund that himself, plus regardless LV would need to be satisfied about the damage itself and come to its own conclusions as to whether all the damage claimed was likely to have happened in the same incident.

Virtually every organization these days records their telephone calls with consumers and customers. It provides the evidence of what was said and therefore provides protection both to the consumer and the business. The retention of call recordings is regulated by the Information Commissioner which has nothing to do with this service. Therefore, I consider it's a standard occurrence across virtually every type of service or business these days, so I don't find it unusual.

I've listened to the call recording between Mr H and LV's engineer. Like the investigator I agree it could have been handled a little better and I agree that some compensation is payable as I can see why it might have made Mr H feel uncomfortable. I agree that the £50 suggested by the investigator is reasonable as it's in line with our published stance on compensation which can be found on our website.

I don't consider Mr H's contention that LV should pay him £5,000 compensation is at all reasonable. What the engineer said to Mr H would never warrant such a large amount of compensation. This service and indeed even the courts don't have the power to provide such punitive awards when a customer feels aggrieved like Mr H does here. It's simply not how things are done in situations like this.

Therefore, it remains that if Mr H wishes to claim for the costs of the damage to his car, he must let LV, or its independent engineers examine his car.

My final decision

So, for these reasons it's my final decision that I uphold this complaint in part.

I now require Liverpool Victoria Insurance Company Limited trading as LV= to pay Mr H the

sum of £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 November 2024.

Rona Doyle
Ombudsman