

The complaint

Mr G has complained about Liverpool Victoria Insurance Company Limited's decision to settle a claim he made under his car insurance policy as a fault claim.

Mr G's daughter, Ms T is representing Mr G in his complaint.

What happened

Ms G was involved in a collision with another driver and he reported the incident to his insurer, LV.

LV investigated the incident and decided to settle the claim as a 50%50% fault claim. This meant that the incident would be recorded as a fault claim, in line with industry practice. Only claims which result in an insurer recovering 100% of their claim costs are recorded as a non fault claim.

Ms T on behalf of Mr G didn't agree the claim should have been settled this way. She said the other driver was at fault for the incident. She said they had made it clear to LV that communication with Mr G should only be done while one of his daughters was present. But Ms T said LV had discussed the claim with Mr G when they weren't with him.

LV didn't uphold the complaint. It said having listened to calls (which were subsequently sent to Ms T) there was no agreement to discuss the claim with Mr G only when a daughter was present.

LV said its decision to settle the claim as it did was correct and in line with the policy.

Ms T asked us to look at Mr G's complaint.

Our Investigator thought LV had reached its decision as to how to settle the claim in a reasonable way. And she didn't find any evidence to support Ms T's request for LV to only communicate with Mr G while she or her sister were present.

But she didn't think LV had properly considered Mr G's needs. She said it was clear from LV's notes that it was aware that it thought Mr G couldn't understand the questions being asked due to a possible hearing difficulty. But LV hadn't considered making any changes to meet Mr G's needs, which the Investigator thought was unreasonable. So she thought LV should pay Mr G compensation for the distress and inconvenience caused of £250.

Ms T on behalf of Mr G accepted the Investigator's recommendations. LV didn't agree. It says it appreciates there may have been a slight adjustment needed for Mr G's hearing impairment, but it is not for LV to make assumptions. LV says Mr G was able to answer the questions asked of him.

So as LV doesn't agree, the case has been passed to me to decide.

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.

As both parties accept the Investigator's findings as to the settlement of the claim, I don't intend to go into this part of the complaint in the same level of detail. I agree with LV and the

Investigator's approach and decision that the claim be settled on a split liability basis. I think LV has acted reasonably and in line with the policy terms when reaching its decision.

I've found no evidence that LV were instructed to only communicate with Mr G when one of his daughters' was present.

LV's claim notes show that on 21 August 2023, Ms T called on behalf of Mr G and discussed liability with LV. She didn't agree with LV's decision.

LV's notes show the following entry for the next day, 22 August 2023:

"Called ph (policyholder) to discuss.

Conversation was difficult as I think PH's age is affecting his hearing and understanding of qs (questions). Consider calling daughter next time."

There is no further note to show LV properly considered making any adjustments for Mr G. And from the note above, it seems LV believed Mr G struggled to answer questions about the circumstances of the incident. So I think LV should have properly considered making a reasonable adjustment for Mr G, but it didn't do so. And as – from its own notes – Mr G struggled to understand the questions and struggled to hear during the call, this would have caused some distress to Mr G. So I think LV should compensate Mr G for failing to assist him.

So I agree with the Investigator's recommendation that a fair outcome is for LV to pay Mr G £250 compensation for the distress and inconvenience caused.

My final decision

My final decision is that I uphold this complaint in part. I require Liverpool Victoria Insurance Company Limited to pay Mr G £250 compensation for the distress and inconvenience caused.

Liverpool Victoria Insurance Company Limited must pay the compensation within 28 days of the date on which we tell it Mr G accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

If Liverpool Victoria Insurance Company Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr G how much it's taken off. It should also give Mr G a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

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

Geraldine Newbold
Ombudsman