

The complaint

Mrs J complains about the information given to her by Liverpool Victoria Insurance Company Limited (LV) when taking out a new motor insurance policy.

Mrs J is represented by Mr J.

What happened

In January 2024 Mr J told LV that Mrs J was getting a new car, and her current car was being part exchanged. There was going to be a gap between Mrs J's car being part exchanged and the new car arriving. Mr J says he was told that the policy for the car being part exchanged needed to lapse and to contact LV again when he was ready to reinstate the policy.

In March 2024 Mr J was ready to reinstate the policy and contacted LV. At this point, LV told Mr J the policy couldn't be reinstated as LV didn't insure drivers over a particular age if they were applying for a new policy. LV accepted Mr J had been given inaccurate advice about what to do during the first call. Mrs J's car was added to Mr J's policy, but they complained to LV.

In May 2024 LV responded to the complaint. It said during Mr J's initial call with LV he'd been told the policy could remain open for 14 days whilst waiting for the new car to arrive, but after this point it would lapse. LV acknowledged that during the call it wasn't discussed that if the policy lapsed they wouldn't be able to offer a new policy. LV offered Mrs J £50 compensation for the distress and inconvenience experienced.

Unhappy with LV's response Mr J referred the complaint to the Financial Ombudsman Service. It was considered by one of our investigators who said whilst they understood the distress experienced, the claims handler said when Mrs J had the details of her new car she could come back for a quotation and didn't offer any guarantees a new policy would definitely be offered.

Our investigator felt LV had acted fairly by offering compensation. Mrs J didn't agree saying the compensation offer shows LV admits they made a mistake and asked for an ombudsman to review the case.

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.

First, I'd like to reassure both sides that while I've summarised the background to this complaint and submissions to us, I've carefully considered all that's been said and sent. In this decision though, I haven't commented on each point that's been made and nor do our rules require me to do so. Instead, I've focused on what I consider are the key issues.

I've listened to the call between Mr J and LV's call handler which took place on

26 January 2024. Mr J said their car has been taken by the garage ahead of the replacement arriving and it wasn't clear when the replacement would arrive. The adviser told Mr J LV were able to 'hold' cover for two weeks, but after this point, they would need to ask for a quotation for a new policy. I think it's helpful to set out that whilst Mr J ended the call thinking a new policy would be easy to obtain, the call handler said a new quotation needed to be applied for – so a new policy wasn't guaranteed during this call.

I appreciate what Mrs J has said about her preference in maintaining a policy in her own name. I think it would have been helpful if the call handler had managed Mr and Mrs J's expectations better during the call and clarified it would be unlikely a new policy would be offered.

Even if Mr and Mrs J had been given the correct information (that LV were unlikely to offer a new policy if applied for after more than two weeks after the original car had been marked as sold), I'm not persuaded Mrs J would have found herself in a different situation. This is because during the first call in January they said the original car had been taken to the garage, meaning they had no insurable interest in it so cover wouldn't have been provided after that point. And the new car didn't arrive for almost another two months. It doesn't appear as if the policy could ever have been 'held' for the two-week grace period.

I've seen LV's underwriting criteria which shows Mrs J wouldn't have been eligible to take out a new policy. Ultimately, it is for an insurer to decide what level of risk it is prepared to cover, and LV has taken a commercial decision not to offer new policies to consumers over a particular age. I can't interfere with this and I'm not going to require LV to take any action in respect of the policy.

In responding to the complaint, I note LV provided details of insurers who may be able to offer a policy to Mrs J. I'm satisfied this was appropriate in the circumstances, given what Mrs J said about wanting to maintain her own policy. And here Mrs J has suffered a loss of expectation in that she believed she would be able to maintain her own insurance policy with LV. Whilst that hasn't been able to be put in place, I haven't been provided with any evidence to show Mrs J couldn't obtain her own policy with another insurer.

I consider the compensation offered to be fair in recognising the frustration and inconvenience Mrs J experienced. But even though Mrs J considered LV made a mistake (and I agree the call handler could have done more to clarify Mrs J wouldn't be eligible for a new policy), this doesn't mean I'm going to require it to offer a motor insurance policy to her. So, I'm not going to require LV to increase the compensation previously offered.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 23 April 2025.

Emma Hawkins
Ombudsman