

## **The complaint**

Mr S complains about Liverpool Victoria Insurance Company Limited (LV) declining to provide a quote for motor insurance.

Any reference to LV in this decision includes their agents.

## **What happened**

In July 2024 Mr S contacted LV online to obtain quotes for motor insurance. When inputting information, Mr S entered an incorrect date of birth for his wife. He also input details of an additional (third) vehicle, a classic vehicle over 25 years old. However, LV didn't provide cover for vehicles over 25 years old, so declined to provide cover. This also applied to separate quotes Mr S obtained for the first two vehicles he was looking to insure.

Mr S challenged the refusal of LV to offer quotes for motor insurance, complaining they hadn't explained their decision.

LV didn't uphold the complaint. In their final response they said they didn't provide quotes for motor insurance for vehicles over 25 years old as new business, as this was outside their underwriting appetite. LV added that when a consumer requested a quote, they used various sources of data to calculate the policy terms and price, including information provided by the consumer, any existing information held about the consumer and data from third-party sources. When a quote was requested, LV used an 'automated underwriting engine' to analyse the information, calculating the probability a claim would be made and the potential cost. This was used to determine whether LV were willing to offer cover.

LV said there were 'inconsistencies' against several of the quotes Mr S generated which then triggered a decline marker in the automated underwriting process. LV wouldn't disclose the specific details of their decision-making criteria as it was company-sensitive information. But LV said the decline marker was only internal to LV and wouldn't be recorded on any external databases. Nor would Mr S have to disclose the decline to other insurers.

Mr S then complained to this Service, unhappy at LV declining to provide cover. He thought he should have been able to amend the information he'd provided to obtain a quote. Instead, he'd had to take out cover elsewhere, having already saved a quote from LV for his two principal vehicles. He wanted to understand why LV had declined to provide a quote.

Our investigator didn't uphold the complaint, concluding LV didn't need to take any action. He said LV had declined to provide quotes because the information provided by Mr S triggered an automated decline marker. It was fair for LV to cite company-sensitive information for not disclosing the specific factors that triggered the decline marker. As the decline marker was internal to LV and didn't need to be disclosed to other insurers, Mr S was able to seek alternative cover elsewhere. And it wasn't reasonable to ask LV to provide cover where their underwriters declined the risk presented by Mr S.

Mr S disagreed with the investigator's view and requested that an ombudsman review the complaint. He said his wife had recently obtained cover through LV, excluding the third

vehicle over 25 years of age and had subsequently insured Mr S as the driver of one of his vehicles. Which made their previous decline to provide quotes unfair and unreasonable. LV had also previously provided home insurance cover for Mr S on his property under his name in the past. He maintained LV should compensate him for the inconvenience he'd suffered from their decline to provide a quote and apologise. And it was unacceptable for the investigator not to share information LV provided as part of the investigation of the complaint.

### **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.

My role here is to decide whether LV have acted fairly towards Mr S.

The key issue in Mr S's complaint is whether LV acted fairly and reasonably in declining to provide quotes for motor insurance. Mr S says they acted unfairly and haven't explained their decision. He also says they didn't provide the right information in response to a subject access request he made of them. LV say there were 'inconsistencies' against several of the quotes Mr S generated which triggered a decline marker in the automated underwriting process. LV won't disclose the details of their criteria as it is company-sensitive information. But LV say the decline marker is only internal and wouldn't be recorded on any external databases. Nor would Mr S have to disclose the decline to other insurers.

Looking at the evidence and information available, Mr S generated several quotes from LV, some of which are for three vehicles and some for the two principal vehicles. LV have confirmed they don't provide cover as new business for vehicles over 25 years old. That's a commercial decision for them as to what kinds of risks they are willing to accept, so I can't say it's unfair or unreasonable. Insurers apply a range of underwriting criteria to determine what risks they are willing to accept, for example the types of vehicle, driver and claim history amongst others. And it's not the role of this Service to tell an insurer what risks they should accept or that they should provide cover in all scenarios.

LV have also referred to their 'automated underwriting engine' which takes information provided by the consumer together with information from other sources in determining whether they are willing to offer cover (provide a quote). In this case they refer to 'inconsistencies' in some of the information provided by Mr S. This may include his inputting an incorrect date of birth for his wife. I've not been made aware of the precise nature of the error, so I can't determine what effect the error may have had in LV declining to provide a quote.

But it's ultimately for LV to determine what criteria to apply, either through an automated process of the kind they describe using, or other intervention, when deciding to offer a quote or to decline to quote. And I accept that the precise criteria are company-specific and therefore commercially confidential.

Mr S makes the point that LV subsequently provided quotes for motor insurance (and policies) for him and his wife. Which indicates LV weren't unfairly declining to provide quotes and cover to Mr S under any circumstances – which suggests there wasn't any element (as Mr S has suggested) of discrimination against him.

Mr S also says the subject access request he made to LV didn't provide him with the information he wanted. But that's not something that comes within the remit of this Service. If Mr S feels LV haven't provided a response that meets their statutory responsibilities, then it would be something he would need to raise with the Information Commissioner's Office.

Taking all these points together, I've concluded LV haven't acted unfairly or unreasonably, so I won't be asking them to take any action.

Mr S also asked for compensation for the inconvenience he's suffered from what happened. But while I understand it was frustrating for him to have been declined (and have to seek cover elsewhere) I don't agree this means LV have acted unfairly. So, I won't be asking LV to compensate Mr S.

### **My final decision**

For the reasons set out above, my final decision is that I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 march 2025.

Paul King  
**Ombudsman**