

The complaint

Mr W complains about his motor insurance policy with Liverpool Victoria Insurance Company Limited (LV). He's unhappy he thought the policy covered business use by any driver, when following an accident while the vehicle was being driven by his daughter, the policy only covered Mr W as the policyholder.

Any reference to LV in this decision includes their agents.

This decision covers Mr W's complaint to this Service in January 2025 about LV as the insurer of the policy. The complaint doesn't cover his broker (O). While Mr W believes O were responsible for the mistake he maintains happened, he also thinks LV were culpable. LV dealt with Mr W's complaint and issued a final response and said the complaint to this Service should be recorded as a complaint against them. Mr W has now raised a separate complaint to this Service about O (who provided a separate final response to Mr W in response to a complaint against them made by Mr W). This decision refers to O for background and context for what happened in this case.

What happened

In April 2024 Mr W took out a motor insurance policy with LV through a comparison website. Mr W thought the cover included business use by any driver. In October 2024 the vehicle was involved in an accident while being driven by Mr W's daughter. Mr W contacted LV to tell them about the accident and lodge a claim.

However, LV said his daughter wasn't insured, as she wasn't named as a driver on the policy, referring to the General Exclusions which excluded claims while the [insured] vehicle was being driven or in the charge of someone not described in the certificate of motor insurance as a person entitled to drive. When he checked the policy, Mr W found it stated that only the policyholder was insured. He thought O or LV had made a mistake.

Mr W contacted the comparison website to see what he had recorded when taking out the policy. They sent a link to the digital footprint of what he filled in, from which Mr W deduced he selected 'business use by any driver' from a dropdown menu that also included the option of 'policyholder only'. The comparison website said they'd sent correspondence to LV that the policy should have included 'business use by any driver'. Mr W told this to LV (and O) but they maintained the policy cover was for 'policyholder only'.

Unhappy at LV's position, which meant Mr W wasn't covered for the damage to his vehicle in the accident and LV declined his claim, he complained to LV.

LV didn't uphold the complaint. In their final response, issued in November 2024, LV considered whether Mr W intended the policy to cover business use by his daughter. They noted the information provided by Mr W (about the digital footprint) was from a quote from the comparison website and wasn't what the actual policy provided for. LV said the policy documents issued confirmed the policy was 'insured only' and there was nothing to support Mr W's daughter being added to the policy. LV also referred to the welcome letter for the policy (issued by O) which referred to the need for Mr W to ensure the information provided

was correct. Having made these points (and discussing the issues with O) LV concluded Mr W's daughter wasn't covered at the time of the incident.

Mr W challenged LV's final response, but they maintained their position in a supplementary final response issued in December 2024.

Unhappy at LV's final responses, Mr W then complained to this Service (January 2025). He said it was clear LV had made a mistake when completing the policy documentation. Or the dropdown options were misleading. He wanted LV to amend the policy documentation to what he'd filled in when taking out the policy and pay for the repair of his vehicle as well as compensation for lack of use of the vehicle from the date of the accident until the matter was resolved.. He said he was having to pay for a vehicle that wasn't driveable and potentially a write off (its value being approximately £25,000). His daughter also had a potential driving conviction for driving whilst uninsured.

Our investigator didn't uphold the complaint, concluding LV didn't need to take any action. From the evidence available, the certificate of insurance issued under the policy listed 'Policyholder Only' entitled to drive and the details input into the comparison website at policy inception didn't include Mr W's daughter. While she selected the 'business use by any driver' option' on the website, this didn't mean she was covered to drive the vehicle as the phrase related to any driver named on the policy, not any unnamed driver. So, LV hadn't made an error and acted fairly in declining to cover the claim.

Mr W disagreed with the investigator's view and requested that an ombudsman review the complaint. He said he had been told by O, when he asked the question, that his daughter would not need to be specifically named under 'business use by any driver'. He maintained O had made a mistake, as the information from the comparison website was that the policy needed to insure the vehicle for business use by any driver – not business use for any driver named in the policy.

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 W.

The key issue in Mr W's complaint is LV declining his claim because they say his daughter, who was driving at the time of the accident, wasn't named on the policy and so wasn't covered. Mr W maintains he took out the policy to include 'business use by any driver' and has the digital footprint from the comparison website to prove it. So, his daughter should be covered and the claim accepted. LV say the policy documents show it is an 'insured only' policy and Mr W should have checked the policy documents when he received them. When providing information in support of his complaint, Mr W said he didn't check the documents when they came through as he was confident he'd done everything right when taking out the policy through the comparison website. So, either LV or O had made a mistake.

The key issue in this case is interpretation of the terms 'Business use by any driver' and 'Business use by policyholder only', two options in the drop down menu on the comparison website. Mr W says he picked the former as he read it to mean any driver – not any driver named on the policy – rather than business use by the policyholder (himself) only. The issue then is whether 'any driver' means anyone driving the vehicle (with the approval of Mr W as the policyholder) or any driver named on the policy (in this case, only Mr W is named on the policy certificate).

Mr W says if the latter is the case (as LV maintain) then the drop down option should specifically have referenced 'Business use by any driver named in the policy'. I've thought about this carefully, but I don't agree. I think it reasonable to interpret 'Business use by any driver' to mean any driver named on the policy, as to evaluate the risk in providing cover, I think it reasonable for LV to base it on the drivers named in the policy, which they will have been able to consider, for example for their claims and driving history. And there may be circumstances where the policyholder requires use of the vehicle for business use, but other named drivers (such as family members) may only require it for social, domestic and commuting purposes. LV say the reference to 'business use by any driver' doesn't mean Mr W's daughter was intended to be added to the policy.

I've also noted the Certificate of Motor Insurance lists under 6. *Persons or classes of persons entitled to drive* lists 'Policyholder'. Which means no other persons or classes of persons are entitled to drive (under the policy). And under 7. *Limitations as to use subject to the exclusions below* it states:

"Use for Social, Domestic and Pleasure Purposes and for the business of the Insured and the Insured's employer or partner, excluding commercial travelling..."

Similarly, the Proposal form for the policy only records Mr W as the proposer under the section 4. *Drivers* and lists no other drivers. The same section, under a box heading 'Driving By' records an answer of 'Insured Only Driver'.

In their letter repudiating the claim, LV also refer to the policy General Exclusions which include the statement:

"This contract of motor insurance does not cover claims arising from any of the following.

Any accident, injury, loss or damage that happens while the insured vehicle is being:

- Driven or in the charge of anyone who is not described in the certificate of motor insurance as a person entitled to drive or who is excluded from driving by any endorsements or covered by another insurance."*

Taken together, I think these mean that Mr W's policy meant his daughter was not covered to drive the vehicle, either for business use or any other use. Which meant it was fair and reasonable for LV to decline Mr W's claim.

I've also noted Mr W says he didn't check the insurance documents issued when the policy was taken out. Had he done so, he may well have questioned whether the policy coverage reflected what he thought he was obtaining when taking out the policy through the comparison website (business use by any driver). The welcome letter (from O) asks Mr W to check the documents and to contact them if anything is wrong or he wants to question. I can't hold LV responsible for Mr W not checking the insurance documents issued under the policy, even though he says he didn't think it necessary given what he had entered through the comparison website.

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.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 26 August 2025.

Paul King
Ombudsman