

The complaint

Mr K and Mr P complaint about the way Liverpool Victoria Insurance Company Limited ('LV') handled their motor insurance claim.

Mr K has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, as those of "Mr K" throughout this decision.

What happened

The following is intended only as a summary of events. Mr K held a motor insurance policy with LV. He contacted them in September 2024 to make a claim for a non-fault accident he was involved in. LV accepted the claim, and the vehicle was taken to a garage for an inspection. But LV's garage then contacted Mr K to say that the vehicle couldn't be repaired as they had identified previous repairs in the same area.

Mr K contacted LV who said the garage should have contacted them to update the claim status and not spoken to Mr K directly. Mr K's vehicle was then taken to another garage on two separate occasions which Mr K said caused him anxiety as he didn't know what was happening with the claim.

A few weeks later, Mr K was updated that his vehicle was going to be written off due to the damage. Mr K rang LV and told them that he and his partner were going away on holiday and says he asked them not to contact them during this time. However, LV tried to call Mr K as well as sent out text messages advising him they would be raising a total loss settlement payment for his vehicle. Mr K says this caused him a lot of uncertainty and anxiety and effectively ruined his holiday as he understood that once a payment had been raised he would need to return the replacement hire car.

Upon their return, Mr K spoke to LV again and they eventually agreed to extend the hire car period so Mr K wouldn't be without a vehicle. But Mr K remained unhappy with how LV had handled the claim – so he raised a complaint.

LV responded to the complaint and said overall they felt their actions had been correct in terms of releasing a total loss payment and identifying previous damage. But they did agree there had been some communication and customer service failings and awarded a total of £500 for the claim delays and misinformation, an additional £100 compensation for delays in responding to the complaint itself, as well as refunding a £15 taxi fare. But Mr K remained unhappy with LV's response to his complaint – so, he brought it to this Service.

An Investigator looked at what had happened but ultimately didn't think the complaint should be upheld. He said while he recognised LV's actions had caused distress and inconvenience, he felt the compensation awarded was appropriate and in line with this Service's approach.

Mr K didn't agree with the Investigator's findings. He said, in summary:

- LV spoilt his holiday by disturbing him when told they shouldn't make any contact.
- LV did not make a compensation payment of £615 for the initial claim experience. This was only £500 and the additional £100 was for delays in responding to the complaint.
- £500 represented a fifth of their total holiday cost which LV had ruined and he thought £750 would be a reasonable starting point to consider compensation.
- He did not accept that LV extending the hire period was part of a compensation offer.
- He was not given the opportunity of retaining his vehicle and a total loss payment was raised without agreement.
- He asked for an Ombudsman to listen to all the call records to understand the level of inconvenience faced.

As the complaint has yet to be resolved, it's 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.

Having done so, I have come to the same overall outcome as the Investigator. I appreciate this is not the answer Mr K had hoped for – so I'll explain why.

As I have said, the above is only intended as a summary and I am not going to address each of Mr K's points individually. This is not intended as a discourtesy but rather reflects the informal nature of the Ombudsman Service. Instead, I will focus on what I consider to be the key issues. However, I want to assure both parties I've read and considered everything provided.

This also means I haven't listened to all of the call recordings as Mr K asked for. I acknowledge Mr K said this would allow me to be able to understand the level of frustration and inconvenience caused to him and that he didn't feel LV's notes properly captured what had happened. But these calls would only serve to show me what Mr K felt the impact was to him. But he has provided several, very detailed submissions which I'm satisfied outline the impact he says he was caused. So I don't consider the phone recordings to add anything to the conclusion I've reached. But I want to make it clear I am thankful for Mr K's submissions which have helped me understand this complaint when deciding my outcome.

I don't intend to make an extended finding on whether LV acted unfairly here – because they have already agreed that they made mistakes during the claim process and their communication could have been better. And having considered the file in detail; I'm in agreement that the level of Service Mr K received fell below what could reasonably be expected. That means I'll be focusing my decision on the impact of those mistakes and whether I think LV have done enough to put things right.

The main points Mr K was unhappy about was the initial information provided by the garage, the fact he was contacted whilst on holiday when he asked not to be, as well as LV raising a total loss payment which he didn't agree with, and the follow-on from this; in respect of concerns at having to return the hire car, and be left without transport.

In relation to information being provided by the garage, while I can see LV have said the garage should have contacted them instead of Mr K – this is always information Mr K would have needed to be told. And it appears from his testimony he would have been concerned

about the claim process regardless of who told him there was previous damage that meant the vehicle wasn't going to be repaired.

I think this is also the case when looking at Mr K's concerns at having to return the hire car and be left without transport. While I acknowledge Mr K would have been concerned about this while away on holiday – the hire was ultimately extended, and I can't see that he was left without transport.

I've also thought about Mr K not being given the option of retaining his vehicle. But this appears to be focused on a customer service concern rather than a documented loss as a result. Mr K hasn't outlined that he wanted to retain the vehicle or that he would have done anything differently had the option been provided to him.

However, I do agree it would have been frustrating to be contacted while on holiday, especially when Mr K understood that he had requested LV not to contact him. Being out of the country and feeling unable to properly deal with the matter would have been upsetting and I acknowledge that Mr K felt very strongly about this. Additionally, I think this would have been exacerbated by LV raising a total loss payment which he didn't initially agree with.

I've taken on board LV's comments around this, and I understand their explanation as to why a total loss payment would need to be raised in order to be sent to a customer. But given the total loss was raised in error in any event, I think this would have caused additional distress and inconvenience to Mr K over and above a normal claim service.

What was the impact

As an informal resolution service, we don't look to punish or fine a business. Instead, we can make a compensation award for the impact a business's actions had on their customer. This is important because, as the Investigator previously outlined, an ongoing motor claim comes with a certain level of frustration and inconvenience as standard. So, I would expect there to be some disruption as part of the normal claim process. However, my role is to consider any additional and unnecessary inconvenience and distress caused by LV's actions.

I've thought about the experience Mr K had when dealing with this claim. I haven't detailed everything here – but I've considered everything he's said about the impact on him and his partner. I naturally have sympathy for Mr K's complaint about poor communications from LV - particularly about their failure to update his communication preferences while away on holiday which I can appreciate would have been concerning for him.

But when considering an award of compensation, I not only need to think about a customer's testimony and the impact to them; but also the duration of the situation overall, what the business has done already, as well as applying this Service's approach to compensation awards.

I've no doubt the errors in LV's service would've caused Mr K some additional distress and inconvenience over and above a normal claim process. But having thought about this complaint very carefully, as well as this Service's approach to compensation awards, I find that the £500 LV awarded is a suitable sum to recognise the impact of their actions on Mr K in this particular complaint. I'm also aware that LV awarded a further £100 in relation to delays in responding to the complaint and they are entitled to do so. But as that did not relate to the initial problems Mr K faced; I haven't included it as part of the award I've considered for claim problems.

I appreciate this is not the level of compensation Mr K had hoped for and that this will not

fundamentally change matters for him, given his wider concerns. But I consider this to be in line with the level of compensation appropriate to these issues and the evidenced impact on him. And I'm satisfied it creates a fair and reasonable outcome in the particular circumstances of this complaint.

As LV have already paid this sum, I do not think they need to do anything further.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mr P to accept or reject my decision before 7 July 2025.

Stephen Howard
Ombudsman