

The complaint

Mr M complains about the handling of his motor insurance claim by Liverpool Victoria Insurance Company Limited ('LV').

What happened

Mr M's car was damaged by a delivery van in June 2023, and he contacted LV to make a claim under his policy. LV accepted the claim and said they would try to make a recovery of the claim costs, as well as Mr M's excess of £450, from the other driver's insurers. However, LV said they were ultimately unable to recover Mr M's excess and after many attempts to obtain the third-party details from the delivery company they were not successful.

Mr M thought this was unfair – he said he wasn't at fault for the accident and felt LV hadn't done enough to try and make a recovery of his excess. Mr M complained to LV but was unhappy with their response, so he brought the complaint to this Service.

An Investigator looked at what had happened but didn't recommend the complaint should be upheld. She thought LV had demonstrated reasonable efforts to recover his excess and had made contact with a number of third parties linked to the delivery van. She said none of the third parties were able to identify the van involved and therefore LV had ended their recovery efforts reasonably. Mr M disagreed and so the complaint 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.

Having done so, I've reached the same overall outcome as the Investigator. I appreciate this will be disappointing for Mr M – so, I'll explain why.

Under Mr M's policy, LV have the right to take over and settle a claim on his behalf. I can see this in Mr M's policy wording under "General Conditions" - it says:

We're entitled to:

- *have total control to conduct, defend and settle any claim; and*
- *take proceedings, in your name or in the name of any other person claiming under this insurance, at our own expense and for our own benefit to recover any payment we've made or to pursue a claim for damages.*

This is a common term in most insurance policies which allows insurers to make a recovery of their costs from a liable third party. And it's normal for insurers to include a customer's excess within those recovery efforts. Essentially though, what this term does is allow LV to make a commercial decision about whether it's reasonable for continue to pursue a claim or not. So, I don't find this to be unreasonable – provided LV have applied this term fairly.

It's not in dispute Mr M's car was damaged by another driver and he therefore wasn't at fault. I can see from LV's file they acknowledged this and made efforts to obtain the other driver's registration number in order to identify the driver. Despite numerous attempts – they were unable to do so. And they then wrote to Mr M in December 2023 to inform him they wouldn't be able to refund his excess.

Mr M was unhappy with LV's reply – he said he wasn't at fault for the accident and thought he should be refunded his £450 excess. He was also unhappy with the delivery van company and said he'd expect them to be tracking all their delivery vans. He explained that other delivery companies do this, and they can show where a customer's items are and give a timeframe for delivery. But I should explain here that I am only able to look at what LV did under Mr M's policy terms as part of this complaint. And I can't consider whether how the delivery van company responded to LV.

Ultimately, while I appreciate Mr M may disagree with LV choosing not to continue to pursue the recovery of his excess - I think LV acted fairly in the efforts they did make. Mr M may feel that LV could do more to make a recovery - but court proceedings can be long and costly, and there is no guarantee of success. I'm satisfied the policy's terms allow LV to make a commercial decision, and I'm not persuaded this was unfair. They're not required to make extended recovery efforts at any cost and in every circumstance.

I do appreciate having to pay his excess for a non-fault claim would be frustrating. But it's normal insurance practice for an insurer to charge an excess where a claim is being made under a policyholder's own policy. And this wouldn't be refunded an insurer cannot recover it, or their claim costs, from anyone else.

Overall, I'm satisfied LV acted reasonably and in line with the policy terms, so it follows I don't require them to do anything more than they have already.

My final decision

For the reasons I've given above it's my final decision that I do not uphold this complaint.

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

Stephen Howard
Ombudsman