

The complaint

Mr W complains about Liverpool Victoria Insurance Company Limited's ('LV') handling of a claim under his motor insurance policy.

What happened

Mr W was involved in an accident in May 2024. He said that a driver hit him in the rear which pushed him into a car in front. However, the car in front and behind both said Mr W had hit the car in front first, and then the car behind hit Mr W pushing him into the car in front again. LV said that without any dashcam footage or witness evidence they wouldn't be able to defend the claim so held Mr W partially at fault.

As part of the claim, the car in front of Mr W's filed injury claims which Mr W was held 25% responsible for under his policy. But Mr W said this was unfair as the occupants of that car hadn't taken any medical attendance at the scene and appeared to be fine. Mr W also thought LV had ignored evidence he'd supplied and felt it was unfair that he had a fault claim on his policy and had to pay his excess of £450, as well as concerns over the repair process to his vehicle – so, he raised a complaint.

LV considered it but said that while they took Mr W's concerns into account, ultimately the evidence supported the third-party's version of events, that two impacts occurred, and they were dealing with the claim on a partial fault basis as a result. They thought they'd acted fairly and in line with the policy terms. Mr W remained unhappy with LV's reply to his complaint – so, he brought it to this Service.

An Investigator looked at what had happened and thought the complaint should be upheld in part. In respect of liability, he felt that LV's decision to accept a split liability outcome was fair and reasonable in the circumstances and based on the available evidence. In relation to repairs and claim service, the Investigator felt LV hadn't done enough to compensate Mr W for the inconvenience he'd experienced and felt LV should increase their compensation to £300.

LV accepted the Investigator's outcome and agreed to raise £300 compensation, but Mr W didn't agree. He said the Investigator hadn't properly commented on the evidence in respect of making a consideration of the liability aspect of the claim and the recommended compensation wasn't enough to reflect the impact LV's actions had on him and his wife. He also said that LV hadn't treated his vehicle as a write off when they should have.

Mr W asked for an Ombudsman to consider the complaint – so, 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.

I won't be repeating the entirety of the complaint history here in my decision or commenting on every point raised. Instead, I've focussed on what I consider to be the key points that I

need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.

It's not this Service's role to determine who is liable for a collision. That's a matter for a court to decide. But what I can do is decide whether I think LV investigated Mr W's claim fairly and reached a reasonable outcome based on the available evidence. Having looked at how LV considered liability for the claim, I think they've acted fairly – I'll explain why.

Under Mr W's policy, LV have the right to take over and settle a claim on his behalf. This means they can make a commercial decision about whether it's reasonable for them to defend a claim or not. This allows LV to decide how to manage the claim and it mitigates the risk of claims racking up large, unrecoverable costs when it's unlikely an insurer will be able to recover the costs from another party. As this is a common term in most insurance policies, I don't find this to be unreasonable – provided LV applied this fairly.

The main disagreement in the liability aspect of this claim is whether Mr W collided with the rear of the vehicle in front first, and was then hit in the rear himself, or whether the vehicle behind pushed him into the vehicle in front. LV has said both third-party drivers reported there being two impacts, and while Mr W has raised questions around vehicle two's testimony, I think LV's conclusion that the front vehicle reporting two impacts as persuasive was a reasonable one to reach. LV explained in their final response that the front vehicle reported two impacts and would not be at fault in any event – so LV had no reason to doubt their testimony. And while Mr W has referred to a report which outlined why his airbags didn't deploy, I don't think this demonstrates that there was only one impact.

Ultimately, my role is to reach a decision on the specific complaint at hand which I consider to be fair in all the circumstances. And having done so, I'm satisfied LV have considered the available evidence and made a reasonable conclusion in accepting a proportion of liability for the claim. And I think LV acted in the same way any insurer in the industry is likely to have acted in these circumstances.

The remaining issues of this complaint are the repair process and subsequent claim handling. Mr W explained that there were delays in receiving a replacement hire vehicle and there were problems with repairing his vehicle, which had to be returned for rectification work. From looking at the claim timeline – a replacement hire vehicle was authorised a week after the accident, which Mr W didn't think was suitable. But I can see that a replacement was sourced relatively quickly.

There was then a period of around one month in which there were issues with the repairs to Mr W's vehicle and this had to be returned to have further works completed. There were then some further issues with the vehicle's alarm sounding, especially late at night, due to the alarm not being properly earthed. LV advised that Mr W would need to demonstrate that the issue was accident related and if it was, they could look to reimburse the cost of rectifying the problem. I don't think this was unreasonable or an unusual way for LV to try to resolve the issue.

Overall, I agree there have been some service level failings here and Mr W has been impacted as a result; so, I think it's fair and reasonable for LV to pay a sum of compensation to account for this. But I should also explain that I'm only able to consider any distress and inconvenience caused to Mr W, as the policyholder. While I appreciate Mr W's concerns over his wife's mobility and need for transport – as she is not a named policyholder, I'm unable to make any compensation award in respect of any distress and inconvenience caused to her directly.

In terms of making a compensation award to Mr W, it's important to note that this Service doesn't punish or fine a business. A compensation award is intended to reflect the impact a business's actions had on their customer. I can see that the Investigator previously recommended that LV should pay a sum of £300 compensation, which LV have agreed to. So, I need to think about whether that's enough compensation.

I've weighed up Mr W's testimony, the available evidence, and the duration of the process. Overall, I agree the sum of £300 is fair, and reflects the impact LV's actions had on Mr W. I appreciate this may not be the level of compensation Mr W might have hoped for, and it may not fundamentally change matters for him, given his larger concerns over the liability and quantum aspects of the claim itself. But I consider it to be in line with the level of compensation appropriate to this complaint, and I'm satisfied awarding this amount produces a fair and reasonable outcome in this particular case.

Finally, I can see Mr W has raised concerns over LV not writing off his vehicle and choosing to repair it instead. He's said this will cause him to lose money if he wanted to sell the car. However, this point was not one that was raised as part of this complaint, so I can't make a finding on it as part of my decision. That means he would need to raise a complaint to LV for them to consider in the first instance in order for this Service to consider it.

Putting things right

In relation to liability for Mr W's accident, I don't think LV have acted unreasonably. However I recognise LV's handling of the claim in respect of repairs and arranging a replacement vehicle would have caused Mr W some additional distress and inconvenience. So, I think they should pay compensation.

My final decision

For the reasons explained above, my final decision is that I uphold this complaint in part. I direct Liverpool Victoria Insurance Company Limited to:

- Pay £300 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 21 July 2025.

Stephen Howard
Ombudsman