

The complaint

Mr K complains that Liverpool Victoria Insurance Company Limited (LV) unfairly declined a claim on his motor insurance policy after his car was damaged in an accident and found to be a total loss. He also complained that LV didn't give him a refund of the unused portion of his policy after he cancelled it.

What happened

Mr K's car collided with a bollard in the early hours of the morning on 14 September 2022. Later that day Mr K claimed on his policy for the damage caused to his car. When doing so he said the accident had happened 'yesterday'. LV initially paid for a hire car for Mr K. An engineer then deemed his car to be a total loss and eventually LV cancelled the hire car.

LV initially said it would pay Mr K's claim. However, it couldn't reconcile the bank details Mr K provided and Mr K didn't want to accept settlement by cheque. LV decided to look further into the claim and appointed investigators to help with that. It also asked the police for a report of the incident.

Mr K didn't replace his car and cancelled the policy. LV did not give him any refund of his premium.

The police did not initially provide a report. However, LV noted a number of anomalies with the claim including the date that the accident apparently happened and concerning the number of passengers in the car with Mr K. It also found out that an email it had sent to Mr K had been altered before being passed to the hire car company.

LV refused Mr K's claim. So, Mr K brought his complaint about that to us. One of our Investigators looked into it, but he didn't think LV needed to take any further action. Mr K didn't agree so his complaint'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 need to say at the outset that it's not my role to decide how LV should settle a claim. Instead it's for me to consider whether LV looked into matters appropriately and treated Mr K fairly and reasonably. So, even if LV has made a decision Mr K doesn't agree with, it doesn't automatically mean it handled the matter unfairly.

Having had the benefit of reading the full file I can see that LV had some legitimate concerns about the circumstances surrounding Mr K's claim. Mr K has provided explanations in response to some of those concerns. For example he said that, when he reported the claim on 14 September 2022 he believed he'd reported that the accident happened 'last night' rather than 'yesterday'. And as the accident happened in the early hours of the morning then the date would have been 14 September 2022, rather than 13 September 2022.

Also around a month later, in October 2022, he did tell LV that there'd been a mistake with the date of the accident. But, while I think that was a reasonable explanation for this apparent inconsistency concerning the date of the accident, I don't think that means, overall, LV has treated Mr K unfairly or unreasonably. I say that for a few different reasons.

The hire car company told LV that Mr K had given it an email – which he said was from LV – that mentioned he didn't need to pay some additional costs. I've seen the original email that LV sent to Mr K and the email he gave to the hire car company. And it's clear that the content isn't the same. The email given to the hire car company suggested Mr K didn't need to pay an outstanding balance. But that's not what LV's email said. In those circumstances, I can see why LV was concerned. And it may well have construed that as an attempt to try and have some outstanding costs waived.

Mr K's told us he "*was not aware*" how the above happened. But, on balance, I don't think his account is supported by the evidence. LV sent the original email to him. He passed the amended email to the hire car company. As far as I can see, only he stood to benefit from the email being amended. That's because, if the hire car company accepted it as genuine, he might not have had to pay a balance owing to the hire car company. So it seems more likely than not that Mr K either amended the email himself or arranged for someone else to do so on his behalf. And in those circumstances I find it unlikely that he was not aware how the email was amended.

Mr K also said that the email was "nothing to do with the claim itself". But I disagree. He only had the hire car in the first place because LV was paying for it following his claim. And it was a benefit offered by his policy. So it was material to the claim.

Further Mr K's policy says that if any part of a claim is false or exaggerated then Mr K would lose all benefits under the terms of the policy. It says that in those circumstances LV can refuse any claim, cancel the policy and keep any premium paid. For the reasons given above, I think it's more likely than not that the email Mr K gave to the hire car company was not the original. So, under the terms of the policy, that would entitle LV to decline Mr K's claim.

It follows therefore that I think it was fair and reasonable for LV to decline Mr K's claim and not give him a refund of the unused portion of his policy.

My final decision

For the reasons set out above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 August 2025.

Joe Scott
Ombudsman