

The complaint

Mrs T complains about Liverpool Victoria Insurance Company Limited's (LV) handling of her claim including its decision not to pursue a recovery for its costs and Mrs T's policy excess under her motor insurance policy.

What happened

In April 2024 Mrs T's vehicle was involved in an incident. Mrs T says the incident was caused because the nearside front wheel of her vehicle came off as her vehicle was being driven. Mrs T says in the days before the incident her vehicle had a full service; MOT and three new tyres fitted at a garage who I shall call P.

Mrs T reported the incident to LV who she held a motor insurance policy with. LV dealt with Mrs T's claim and thereafter attempted to pursue a recovery from P of its outlay and Mrs T's policy excess.

P didn't provide its insurance details to LV and said it had outsourced the tyre fitting of Mrs T's vehicle to a separate business - who I shall call F. LV, subsequently contacted F. In response F said had there been a problem with the tyres to Mrs T's vehicle, she would have known immediately once the car was driven. Additionally, F failed to provide its insurance details to LV.

LV obtained a report from an independent assessor – who I shall call H. H inspected Mrs T's vehicle and having considered the incident circumstances said given the timescale from when the service and tyre fitment was carried out it would be impossible to hold P liable for Mrs T's wheel becoming detached as unless Mrs T's vehicle had been under constant supervision it couldn't rule out the wheel bolts hadn't been tampered with by an unknown third-party. Based on the evidence obtained, LV didn't recommend continuing pursuing a recovery.

Mrs T made a complaint to LV. But LV didn't change its decision. It said it wouldn't be taking any further action and said to Mrs T there was still an option for her to pursue the claim directly if she wished.

Dissatisfied Mrs T brought her complaint to this Service.

Our Investigator said he was persuaded LV had followed its own internal processes when deciding whether to continue with a recovery using litigation. He said there was evidence of numerous letters from LV attempting to pursue a recovery and although the letters referred incorrectly to Mrs T's tyres coming off, as opposed to the full wheel, he didn't think it made a significant difference as to P and F's refusal to provide details of their insurers. He highlighted LV instructed an independent assessor who said as two days had passed from the date Mrs T's car was serviced then it could be argued a third-party may have tampered with the wheel which would leave reasonable doubt when arguing negligence against P and/or F.

Our Investigator therefore said he was persuaded LV had acted fairly when deciding whether

to pursue a recovery on behalf of Mrs T. He noted there had been some inaccuracies in correspondence describing the incident but that hadn't affected the possibility of any recovery.

Mrs T didn't accept our Investigator's findings. She said: -

- *"...It is unclear and seems unfair that it is considered acceptable protocol for LV to not escalate the matter of the garage not providing their public liability insurers details to properly pursue their customer's claim/issues, or to insist on this information being provided"*
- *"...The independent engineer advised that as two days had passed from the date of car service then the local garage could argue that another party may have tampered with the wheel. This would leave a reasonable doubt when arguing negligence against the local garage.' As stated on all previous correspondence and garage receipt evidence provided to yourselves- the service and tyre replacement was completed on the 3rd of April, 12:39 pm and the journey when the incident occurred was undertaken the following morning of the 4th of April and not 'two days from the date of the car service' that you state in error. I would argue therefore that incredibly short distance of 1.2 miles from the garage to my home address and the exceedingly short time frame between tyre fitting and a substantial subsequent journey does not leave reasonable doubt with regards to the negligence of the garage. In fact the balance of probability appears to go against the Garage and in favour of myself as the claimant in this respect"*

Mrs T's complaint has therefore 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.

Firstly, I'd like to acknowledge Mrs T's strength of feeling on this matter. I appreciate the incident Mrs T was involved in would've been extremely worrying and stressful for her, especially as she was travelling to a family wedding.

My role isn't to consider who was responsible for the incident, it's to look at whether LV has carried out a fair investigation, reviewed all of the evidence it has available and reached a reasonable decision when deciding whether to pursue a recovery.

Policy Terms and Conditions

To start I think it would be helpful to provide a section from Mrs T's policy terms and conditions to understand what LV is allowed to do. At pages 11 and 12 of Mrs T's policy terms and conditions booklet it says; -

"You or any other person covered under this insurance must: -

Help us to pursue a recovery (where applicable) against a third-party"

And additionally

" We're entitled to:-

- *Have total control to conduct, defend and settle any claim; and*

- *Take proceedings, in your name...at our own expense and for our own benefit to recover any payment we've made or to pursue a claim for damages.*

Whilst the general conditions of Mrs T's policy ask Mrs T to help LV pursue a recovery (where applicable), the general conditions ultimately allow LV to settle the claim on the best terms it felt possible and that it has the final say in how to settle the claim. It doesn't need the agreement or consent of the policyholder, in this case Mrs T, to settle a claim in a particular way. Naturally this may lead to LV making a decision which Mrs T doesn't agree with, but that said, it doesn't mean LV can do as it pleases when settling a claim. Its decision must be reasonable and based on facts and evidence.

Based on the information I've seen I'm satisfied LV have done this. I'll explain why; -

Decision not to pursue a recovery

Having considered the available evidence I note it's not disputed that Mrs T took her vehicle to P on 2 April 2024 for work to be carried out which included a service, MOT and replacement of three tyres. During LV's communications with P, P says it didn't replace the tyres to Mrs T's vehicle, and it outsourced this to F.

The invoice and receipt Mrs T has provided from P makes no reference to F replacing the tyres, nor does the invoice make clear which three tyres were replaced on Mrs T's vehicle. No invoice for the replacement tyres has been provided from F.

Whilst I appreciate Mrs T disputes the timeline of when her vehicle was with P and her tyres replaced, to the time when the incident occurred, I'm not persuaded whether the tyres were changed on 2 April 2024 or 3 April 2024 is necessarily relevant. I say this as LV instructed H to provide a report which included H's recommendation as to whether P could be held liable for the wheel becoming detached. I've considered H's report and its independent opinion that without Mrs T's vehicle being under constant surveillance it couldn't rule out Mrs T's wheel bolts being tampered with by an unknown third-party and therefore it would be impossible to hold P liable for the wheel becoming detached.

Therefore, based on the available evidence I find LV followed a fair and reasonable process in assessing whether to proceed with a recovery based on the independent report it had obtained from H and that it would be difficult to show P and/or F had acted negligently when replacing Mrs T's tyres, and it was this which caused the incident to occur. LV utilised the general conditions it was afforded under page 12 of the policy terms and conditions booklet (referenced above) as it's entitled to do.

I've taken on board Mrs T's comments that LV should've done more to obtain P and/or F's insurance details and additionally that the correct circumstances surrounding Mrs T's incident should have been included within LV's letters to P and F. But I'm not persuaded that the use of the term tyre and not wheel had any likely effect on the outcome of Mrs T's claim. That is even if LV did what Mrs T thinks it should have i.e. included the word wheel and not tyre, I'm not persuaded the outcome would have been any different.

Taking everything into account I find that LV followed a fair and reasonable process when reaching its decision not to proceed with a recovery on this occasion. I therefore find that LV doesn't need to do anything further in this respect.

My final decision

My final decision is that I don't require Liverpool Victoria Insurance Company Limited to do anything further to settle Mrs T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 13 October 2025.

Lorna Ball
Ombudsman