

The complaint

Mr M complains that Liverpool Victoria Insurance Company Limited (“LV”) didn’t offer to provide him with a home insurance policy – and didn’t explain why.

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.

Our investigator thought LV acted fairly. I agree, and for the same reasons, so it’s not necessary for me to go over everything again in detail. Instead, I’ll summarise the main points:

- Mr M had home insurance with another company. When that came up for renewal, he sought a quote for home insurance with LV. After completing the online application, LV told him it wouldn’t offer him a policy.
- Mr M asked why, noting he held other LV insurance policies and had been invited to apply for home insurance too. But LV wouldn’t provide further information.
- Each insurer is entitled to take its own view of risk and, based on that, whether to offer insurance cover to a particular customer – and, if so, at what price.
- Generally, an insurer can take into account any information they wish when deciding how risky something is to insure. LV has underwriting criteria that defines its view of risk. If a customer’s circumstances are outside the criteria, a policy won’t be offered. LV takes into account many factors within its underwriting criteria. All of this is fair and reasonable in principle, and consistent with how most home insurers operate.
- In Mr M’s case, LV considered at least one factor was outside its underwriting criteria. That meant it wasn’t prepared to insure Mr M’s home as it considered the risk of doing so was higher than it was willing to accept. Whilst Mr M may disagree, with respect, it’s not his decision to make. LV is entitled to decide which risks it’s prepared to insure, and on what terms – and which it isn’t.
- Nonetheless, I would expect LV to be able to show its decision was in line with its underwriting criteria, was based on accurate information, and Mr M was treated consistently with how any other customer in similar circumstances would have been. Otherwise, he may not have been treated fairly.
- LV has shared underwriting information with this Service. It’s commercially sensitive, so it wouldn’t be appropriate for me to discuss it in detail. But I can reassure Mr M the information is comprehensive and, having thoroughly considered it, I’m satisfied it shows LV’s decision was fair, as it met the tests I set out in the previous bullet point.
- Whilst Mr M may wish to understand the reason behind LV’s decision, that’s not something I’d expect LV to share, given the commercially sensitive nature of it.

Though I note Mr M rightly says there may be circumstances which overrule commercially sensitivity, I'm not persuaded that's the case here.

- Mr M said he should be told why there was a problem with his application, as his integrity and circumstances had been called into question. But that isn't what happened. I've seen no suggestion LV had any concerns about Mr M's integrity or similar. His circumstances simply didn't fall within LV's underwriting criteria. Indeed, LV told him: *"there is no slight against your integrity and it is not a question of trust and is certainly not personal"*.
- It may help if I explain that LV has acted in line with how most, if not all, home insurers do in similar circumstances. So it's not out of step with the wider market. And there are no rules, regulations, or guidance which says LV should act differently.
- Though Mr M said LV had previously invited him to apply for home insurance, I haven't seen it went so far as to guarantee it would offer a policy. I understand it was simply letting an existing customer know there were other, similar products available.
- In summary, LV wasn't obliged to offer Mr M a policy – or explain why it didn't. It was entitled to rely on its underwriting criteria to treat him consistently with any other customer in similar circumstances – which it did. As a result, I'm satisfied it acted fairly and reasonably.

Complaint handling

- The Financial Conduct Authority sets out rules which dictate the jurisdiction of this Service. These are contained in the Dispute Resolution Rules (DISP).
- DISP 2.3.1 sets out limitations to the types of complaints this Service can consider. In summary, the part relevant to this complaint is within 2.3.1 (1) where it says we can only consider insurance complaints about regulated activities.
- Handling a complaint isn't a regulated activity in its own right. As a result, we can't consider a complaint about how a complaint was handled. That means we won't be able to consider the points Mr M has made about the way LV handled his complaint.

My final decision

I don't 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 5 December 2025.

James Neville
Ombudsman