

The complaint

Mr A has complained about the way Liverpool Victoria Insurance Company Limited trading as Allianz (LV) has recorded an accident against his car insurance policy.

What happened

In April 2024 Mr A reported a minor accident between his car and another vehicle. A couple of days later Mr A contacted LV again to say there was only paint damage to his car which he was able to polish off.

LV recorded the accident as a 'notification only' claim – as Mr A had notified it of the accident, but no claim was made.

At renewal in August 2024 Mr A became aware of the accident recording through his broker. He complained to LV.

LV didn't uphold Mr A's complaint. As a goodwill gesture it said it would remove any impact on the premium by the recording of the accident for one year. But it said it had correctly recorded the accident in line with the policy and industry practice.

Mr A remained unhappy and asked us to look at his complaint. One of our Investigators didn't recommend the complaint should be upheld. She thought LV had acted reasonably and in line with the policy.

The Investigator explained that having listened to the call where Mr A said there was no damage to his car, and LV closed the claim, it could have been clearer about how it would do this. But as LV had offered not to charge Mr A for any impact on premium as a result of the accident for the policy year, she thought this was enough to reflect LV's failing here.

Mr A didn't agree. In summary he is unhappy that the recording of the accident may have an impact on future premiums, beyond the policy year from August 2024 and have an impact on his wife's insurance premium under which he is a named driver.

Mr A says he accepts that LV needs to record the information, but he doesn't agree it should be recorded as an 'outstanding no fault claim' which is how the broker said it had been recorded. Mr A says no claim was made.

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.

LV, like other insurers, takes into account a driver's history when calculating a premium. The insurance market is highly competitive and insurers have a different appetite for risk. This is why we see such widely different premium prices on comparison websites using the same information when quoting for an insurance policy.

Some insurers apply a rating where an accident has occurred, even if a claim hasn't been made. What an insurer chooses to charge varies and is a commercial decision. So it isn't something we can interfere with.

An insurer will rely on the information a customer has given when an accident occurs. Mr A's policy with LV says he must;

"tell your broker as soon as possible if any of your details change including:

Details of any accidents, thefts, loss or damage, regardless of blame or whether a claim was made or not, for any person who may drive the car"

As Mr A's car and another vehicle made impact, I think it is reasonable to say that this qualifies as an accident, in line with a standard dictionary definition.

Mr A correctly informed LV of the accident, LV set up a claim. This is not an unusual step for an insurer to take at this stage, and particularly if another vehicle was involved. A couple of days later, as there was no financial loss to Mr A, he withdrew his claim. And LV updated the information it held to show an accident claim as closed. With no claim and zero costs under the claim, it is therefore described as a 'notification only' incident and a closed claim. Although the terminology used by insurers may differ, the outcome is the same.

Mr A says the goodwill gesture doesn't address the impact on future premiums for his policy. And for his wife's where he is a named driver. But I don't think it needs to because LV has correctly recorded that an accident occurred. Where LV could have done better was in explaining how it would record the accident when Mr A called to say he didn't wish to make a claim. But as LV agreed not to charge for the impact of the accident notification for a policy year for Mr A's cover, I think this was enough to put things right.

I understand Mr A will be disappointed. But I think LV has treated Mr A fairly in how it recorded the accident and as it would any other customer in the same circumstances in how it has recorded the accident notification. So this means I'm not asking it to do any more.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

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

Geraldine Newbold
Ombudsman