

The complaint

Mrs B complains Liverpool Victoria Insurance Company Limited (LV) provided a poor level of communication, and unfairly settled a claim on her motor insurance policy.

What happened

Mrs B was involved in an incident in which she collided with a third-party vehicle when reversing out of her drive. She contacted LV to notify them of the incident. She said she didn't wish to claim for damage to her own car at that point, because there was only minor damage.

The third-party made a claim on Mrs B's policy which was settled by LV. Mrs B complained that LV had settled the claim without informing her of this. LV explained as she was reversing her car she had been held liable for any damage to the third-party vehicle.

Because Mrs B was not happy with LV, she brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said LV had acted in line with its policy. They said LV made it clear from the onset that based on the information she'd given, the accident would be a fault claim. They didn't think she'd been treated unreasonably or unfairly.

As Mrs B is unhappy with our investigator's view the complaint has been brought to me for a final decision to be 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.

I listened to the call made by Mrs B to LV on the day of the incident. She said whilst reversing out of her drive she had hit a third-party vehicle. She reported there was only a small amount of damage to her car and there was damage to the rear door of the third-party vehicle. Mrs B said after the incident the third-party driver said he could get the repairs completed and asked her to pay. She told him she was unable to do this without an invoice.

During the call LV's claims advisor explained that because Mrs B was reversing her car, the incident would be recorded as her fault. And explained they would arrange for the repairs for the damage to her car, and the damage to the third-party vehicle, to be completed. Because she wasn't sure she wanted to claim for the damage to her car, this was put on hold. Mrs B gave the registration number and make of the third-party vehicle; however, LV were unable to find it with the details she provided. Mrs B said she had given her insurance details to the third-party. LV advised her to try and obtain the correct vehicle details and to call back, otherwise it would wait for the third-party to contact it.

I saw the third-party did make a claim and based on the information provided by Mrs B about the circumstances of the incident LV authorised the claim and it was settled.

I looked at the terms of the policy and it says;

“ 5. Accident and claims procedure

We're entitled to:

- have total control to conduct, defend and settle any claim; and*
- take proceedings, in your name or in the name of any other person claiming under this insurance, at our own expense and for our own benefit to recover any payment we've made or to pursue a claim for damages.”*

I think settling the third-party claim was fair based on the information Mrs B provided about the incident, and it was in accordance with the terms of the policy. LV had explained to her when she notified it of the claim that she would be held at fault and also told her it would arrange for the repairs to the third-party vehicle.

Mrs B contacted LV in April 2025 after she received her renewal quotation from LV. I saw her premiums had increased following the incident. She said she had lost her no claims bonus (NCB), and this wasn't correct. I checked the policy documentation, and I saw her no claims bonus hadn't been reduced. It remained at nine years as it was prior to this incident.

When calculating what premium to charge individual policyholders, LV will take numerous different factors into account – these are likely to include, but are not limited to, the policyholder's postcode, the age of the drivers, the number of fault claims and non-fault claims etc.

We cannot tell LV (or any insurer) that it should use, or discount, specific data. That's because the risk is LV's to take on so it will decide how to assess it and will price the policies it offers accordingly. Providing they treat people fairly, insurers and brokers are entitled to charge what they feel they need to in order to cover a risk.

Based on the information Mrs B provided about the incident I think it was fairly recorded as fault. I haven't seen any evidence that LV treated Mrs B any differently to its other customers.

Therefore, I don't uphold Mrs B's complaint, and I don't require LV to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 31 December 2025.

Sally-Ann Harding
Ombudsman