

## **The complaint**

Mr D complains that Liverpool Victoria Insurance Company Limited (LV) declined his claim against his motor insurance policy. He also complains it took too long to deal with his claim. Reference to LV includes its agents.

## **What happened**

On 29 June 2024, Mr D took out, via a broker, a short term policy underwritten by LV. Cover started in the late afternoon of 29 June 2024 and ended 24 hours later on 30 June 2024.

In summary, Mr D says in the early hours of 30 June 2024, he was involved in an accident whilst driving. He says the front of his car collided with the rear of another car at a roundabout. Mr D says the following day, he arranged recovery of his car to a garage he'd used before.

Mr D contacted LV in order to make a claim. LV declined Mr D's claim. It said it had concerns about differences in what Mr D said about the accident in his first phone call to LV and in his signed statement. LV said its enquiries revealed that Mr D's car had been at the garage at the time he said he'd been involved in an accident. It said both certificates of insurance Mr D had provided in relation to his previous short-term cover were fraudulent. LV relied on one of the general conditions of the policy, which I set out below. It said it wasn't satisfied Mr D had made a genuine claim and believed he'd acted dishonestly.

Mr D says LV acted unfairly in declining his claim. He also complains about how long it took to deal with his claim. Mr D says LV came to its decision based on irrelevant factors. He wants LV to reinstate his policy, deal with his claim and pay compensation for his financial loss and distress.

One of our Investigators looked at what had happened. He didn't recommend Mr D's complaint be upheld. The Investigator said he thought LV reached a fair and reasonable conclusion about Mr D's claim based on all the information available at the time.

Mr D didn't agree with the Investigator. He responded at some length, which I won't set out here in full. He provided new evidence which he says shows the car was in his possession around the time of the accident. Mr D referred to the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). Mr D says he's suffered hardship, his car has been repossessed as he missed finance payments and he lost his job because he had no transport. He says this matter has caused him much stress.

LV considered the new evidence Mr D provided but didn't change its decision. The Investigator considered the matter again. He said the additional evidence provided by Mr D didn't alter the fact LV declined the claim because it came to the conclusion Mr D provided fraudulent documents in relation to his two previous policies. He said under the terms of the policy, LV was entitled to decline the claim. The Investigator said CIDRA isn't relevant here as it concerns information provided by consumers when taking out a policy. He remained of the view that LV hadn't acted unfairly or unreasonably in declining Mr D's claim.

Mr D didn't agree with the Investigator. He asked that an Ombudsman consider his complaint, so it was 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.

In this decision I'm looking at Mr D's complaint which led to LV's final response of 20 May 2025. Mr D has provided detailed submissions to support his complaint, which I have read and considered. I don't comment on every point made. I'll instead concentrate on what I consider are the key points I need to think about to reach a fair and reasonable decision. This isn't meant as a discourtesy to either party but instead reflects the informal nature of this Service.

I've taken into account the law, regulations and good practice. Above all, I've considered what's fair and reasonable. The relevant rules and industry guidance say LV has a responsibility to handle claims promptly and fairly and must act to deliver good outcomes for retail consumers. I don't uphold this complaint and I'll explain why:

#### *LV's decision to decline Mr D's claim*

- It isn't for me to determine if Mr D's claim was genuine or if he acted dishonestly. My role is to decide whether LV acted in accordance with the policy terms and fairly and reasonably in declining Mr D's claim. So, I've looked carefully at the evidence LV relied on to come to its decision.
- Accusations that an insured hasn't made a genuine claim and has acted dishonestly are serious and can cause significant detriment to a consumer. For LV to fairly and reasonably decline Mr D's claim, it needs to show it had enough evidence to reasonably think Mr D's claim wasn't genuine and that he'd acted dishonestly.
- Mr D has referred to CIDRA. As the Investigator has explained, CIDRA isn't relevant in this case as it relates to obligations when buying or renewing insurance policies. Here, Mr D complains about LV's decision to decline his claim. LV didn't seek to rely on CIDRA when it declined Mr D's claim.

- LV relied on the following term in the policy when it declined Mr D's claim:

**'GENERAL CONDITIONS**

*The following **general conditions** apply to the whole of this **contract of motor insurance**. These describe **your** responsibilities, general information and the procedures that apply in certain situations, such as when there is a claim or the **contract of motor insurance** is cancelled. If **you** do not meet the terms and conditions of this **contract of motor insurance**, it could make the cover invalid or mean **we** will refuse to pay your claim.*

*[...]*

**Misrepresentation, Fraud and Financial Crime**

*If **you** or anyone representing **you**:*

*[...]*

*Provides **us** with false documents;*

*[...]*

***We** may:*

*[...]*

*Reject a claim or reduce the amount of payment **we** make;*

*[...]*

This sort of term is common in policies of this type and I don't think it's unusual or unreasonable.

- It's not in dispute that the two certificates of insurance Mr D provided to LV are '*...false documents*'. Mr D says his previous insurance is irrelevant to his claim with LV. I don't agree as, under the terms of the policy, LV is entitled to reject the claim as Mr D provided it with '*...false documents*'.
- There are circumstances in which we would direct an insurer to act outside the policy terms. So, I've gone on to consider whether LV's decision, which is in accordance with the terms and conditions of the policy, leads to a fair and reasonable outcome in this case.
- Mr D says he bought short-term cover on two previous occasions via an online broker. He says he had no reason to believe the certificates weren't genuine and he acted in good faith when he provided the documents to LV. He says he didn't report the broker to the police because of the stress he was under at the time. Mr D can't find evidence of his payments for the previous two policies.
- Based on what I've seen, Mr D hasn't shown he was the victim of fraud when he bought previous short-term policies. He can't provide evidence of payment for those policies, or details of the broker he says sold him the policies. And he didn't report the fraud to the police.
- I don't think LV acted unfairly or unreasonably in relying on the terms of the policy in this case. There are no grounds on which I can fairly direct LV to deal with Mr D's claim on the basis that he was the victim of fraud in relation to the two certificates of insurance.
- Under the Insurance Act 2015, insurers are permitted to refuse to pay a claim which is false or exaggerated. There's a general condition in the policy which provides LV may reject a claim if it's fraudulent, false or exaggerated. But to do so fairly, LV needs to show it had enough evidence to reasonably conclude Mr D's claim was likely fraudulent, false or exaggerated.

- LV was concerned about differences between what Mr D said in his first phone call to LV and in his signed statements of 2 and 4 December 2024. I've listened to the phone call when Mr D first made a claim to LV. In that call, Mr D said he'd taken out the policy with LV after his annual insurance had come to an end; there were no passengers in his car at the time of the accident and whilst he and the driver of the other car exchanged numbers, he didn't get any other details, such as the other driver's name or the registration of his car. In his signed statements, Mr D said he didn't arrange an annual policy, he had two friends in his car at the time of the accident and he exchanged details with the other driver.
- LV inspected Mr D's car at the garage where it was located. LV relied on statements by the garage owner who said Mr D's car was at his garage before and during the date on which Mr D said the accident which led to the claim took place.
- Considering everything, I think LV had sufficient information to support its conclusion that Mr D's claim wasn't a genuine claim and that Mr D had acted dishonestly.
- LV considered the further evidence Mr D provided after the Investigator's view but didn't change its decision. I don't think LV acted unfairly or unreasonably when it said it remains its decision that Mr D provided false documents, so it's entitled to decline the claim. That's because the additional information Mr D provided didn't change the position in relation to the false documents.

#### *The time taken to deal with Mr D's claim*

- Mr D complains about how long LV took to deal with his claim. I've looked at the chronology of the claim. Mr D made the claim on 1 July 2024. There was initially some confusion about the time and date of the accident, which LV sorted out with the third party.
- LV instructed an agent to interview Mr D and make further enquiries. The interview took place in November 2024 and in December 2024, Mr D signed his statements following that interview. In January 2025, LV wrote to Mr D raising some queries. LV made further enquiries and on 18 March 2025, it declined Mr D's claim.
- Whilst Mr D's claim took longer than claims usually take, LV made appropriate enquiries, which took some time. LV was sometimes waiting for responses from other parties. I don't think there was undue delay in LV dealing with Mr D's claim.

#### **My final decision**

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 D to accept or reject my decision before 10 November 2025.

Louise Povey  
**Ombudsman**