

The complaint

Mr C complains about the service he received following a claim made on his motor insurance policy with Liverpool Victoria Insurance Company Limited (LV).

What happened

Mr C held a motor insurance policy with LV. He made a claim when his car was stolen in August 2024. Mr C says at the time the claim was declined, his policy was cancelled, and he received the car back.

In June 2025, when Mr C registered his personalised number plate, he says he received notification from Driver and Vehicle Licensing Agency (DVLA) that his car had been registered as a category B write off, which is usually recorded for cars with serious, irreparable damage and cannot be put back on the road.

Mr C complained to LV as he said he was never told about this. He was unhappy with the length of time it took to sort out the categorisation. LV acknowledged it had made a mistake. It said it had taken longer than it should have, for an independent engineer to assess the car and confirm the categorisation. To put things right LV refunded the costs Mr C had incurred and paid him £300 for the inconvenience caused.

During the complaint Mr C also said he was unhappy he'd not been given a full breakdown of the costs paid on his claim. He was unhappy to discover the overall claim costs had increased from £600 to £1,909.57 and didn't think it was fair for costs to be included in the claim total due to LV's mistake.

LV disagreed, as it said it didn't think Mr C was entitled to have a breakdown of costs because it said it contained commercially sensitive information.

Mr C remained unhappy and referred his complaint to our Service.

Our investigator ultimately didn't uphold the complaint. She didn't think LV needed to do anything more as it had compensated Mr C for the financial loss he had suffered. She confirmed LV had provided this Service with the claim value breakdown and explained she was unable to provide it to Mr C, as it was commercially sensitive.

Mr C didn't agree. He provided a detailed response, but in summary he said:

- LV made a mistake when it returned his car as he wasn't given the correct categorisation.
- He was unhappy the overall claim costs increased to £1,909.57, and said LV hasn't provided him with a breakdown.
- LV sent him compensation without giving him a chance to come to this Service.

So, the case has 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 acknowledge I've summarised Mr C's complaint in less detail than he's set out. Mr C has raised several reasons why he's unhappy with the way LV has handled this matter. I've not commented on each and every point he's raised. Instead, I've focussed on what I consider to be the key points I need to think about. I don't mean any courtesy about this, but it simply reflects the informal nature of this Service. I assure Mr C and LV, that I have read and considered everything they've provided.

There is no dispute between either party that LV made a mistake when it returned Mr C's car in 2024, with a categorisation B registered and didn't tell him. I have therefore considered overall whether LV has acted fairly when putting things right.

Claim recorded on Claim Underwriting Exchange (CUE)

Mr C has said he's unhappy the costs that weren't part of his original claim have increased the overall costs recorded by LV.

Insurers are set clear guidelines on how they're required to record entries on CUE and what they should record. As Mr C made a claim, the guidelines are clear that insurers are required to register the claim on CUE and set out any costs they incurred in handling the claim. This can also include any costs of putting things right when things have gone wrong during the claim process. LV has said it incurred some costs during the process of dealing with the claim. But has now confirmed it will amend the records to reflect only the claim costs from August 2024. I think this is fair given the guidance set out for how to record incidents on CUE.

I appreciate Mr C is also unhappy LV wouldn't provide him with a breakdown of costs. LV said it correctly recorded the information relating to Mr C's claim. But said it couldn't provide a breakdown as the data contained sensitive information. I understand why Mr C wanted this information and can appreciate it would be frustrating to not receive this. But, it wasn't unreasonable for LV to consider this information to contain confidential sensitive information. So I don't think it was required to provide a detailed breakdown of costs. But an insurer should provide the total costs it's paid on a claim, and LV has now confirmed it will record its total outlay as £955.57.

I appreciate Mr C thinks the claim costs should be £600, but I don't agree. I have carefully looked at the screenshots of what LV reported in September 2024 and can see these were for car hire, recovery and storage costs. So these are costs LV incurred as part of the initial reporting of the claim. And I'm satisfied there are no unrelated claim costs been registered and it's a fair reflection of the claim settlement. LV has confirmed the costs associated with putting things right will be removed from CUE. I think that is fair and I will not be directing LV to do anything more.

Distress and inconvenience payment

I have thought about the impact this has had on Mr K. I think this has caused him some distress and inconvenience. LV acknowledged it has caused some unnecessary delays. It apologised and paid £300. I'm satisfied the amount already paid is fair and reasonable compensation for the impact of its poor claim handling. I'm not minded to direct LV to pay anything more.

I appreciate Mr C was also unhappy this was paid to him, and he doesn't feel he was given the opportunity to escalate his complaint. But it's not unusual for insurers to make payments as an interim payment. And I can't see LV's actions prevented him from taking his complaint further. He was sent a final response letter which gave him referral rights to this Service. I'm not satisfied he has suffered materially by LV paying him compensation when it did.

My final decision

It's my final decision that I uphold this complaint. Liverpool Victoria Insurance Company Limited has agreed to amend the total costs and record the total outlay for the claim as £955.57. I consider that's fair. LV should do this if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 29 December 2025.

Lorraine Ball
Ombudsman