

The complaint

Ms P complains that Liverpool Victoria Insurance Company Limited (LV) mis-sold her a motorhome insurance policy as it failed to make clear a significant limitation to the policy prior to purchase.

What happened

The circumstances of this case are known to both parties, but in summary Ms P had an existing motor insurance policy, administered by LV. In March 2024, Ms P added her motorhome to the policy. While on cover, Ms P said her vehicle was stolen and so raised a claim under her policy. The claim was declined due to an exclusion surrounding claims due to deception, fraud or trickery, such as when selling a car. Ms P didn't think this exclusion was made sufficiently clear when she added the vehicle to her policy, so she complained to LV.

LV didn't uphold the complaint. It said the policy was sold to Ms P on a non-advised basis and it was satisfied it had provided Ms P with enough information to understand the cover and how it worked. Unhappy with the response, Ms P referred her complaint to this Service.

Our Investigator didn't uphold the complaint. They concluded that the policy documentation was sufficiently clear and was a standard limitation of cover across the market. Ms P disagreed and asked an Ombudsman to make a final decision. She said the limitation wasn't clearly highlighted to her in the policy documentation, wasn't included in the Insurance Product Information Document (IPID) and was an unfair contract term.

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.

While I recognise Ms P will be disappointed with my decision, I don't uphold this complaint. I'll explain why.

I know I've summarised the circumstances of this case in less detail than presented. But I want to assure both parties that I've carefully considered all the information provided. I may not respond to every point or piece of evidence. But I've focused on the issues I consider to be key to the outcome of the case. This isn't meant as a discourtesy but reflects the informal nature of this Service – and the rules this Service are expected to adhere to enable me to do this.

The scope of my decision

I should first set out that Ms P has previously referred a complaint to this Service about the insurer's decision to decline her claim, and this has been investigated separately. So, I won't

be commenting on this issue or whether the insurer applied this exclusion fairly. My decision focuses only on the issues Ms P raised to LV in relation to the sale of the policy.

The sale of the policy

I have considered the relevant regulatory rules which say firms must provide information that is clear, fair and not misleading. I have also taken into account the relevant laws set out in the unfair terms provisions of the Consumer Rights Act 2015.

We are an informal alternative dispute resolution service and so we aim to resolve complaints informally. While I recognise Ms P is of the view that LV has made failings with respect to the law, this is something that can only be determined by the courts. So, my decision (while taking into account the law) will be based on what I find to be fair and reasonable in the individual circumstances of this case.

Ms P added her motorhome to an existing multi-vehicle policy in March 2024, and this was arranged on a non-advised basis. So, LV didn't consider the overall suitability of the product or whether it was right for Ms P's individual circumstances. Instead, LV had an obligation to ensure Ms P had enough information to make an informed decision.

Following the sale, Ms P was provided with the terms and conditions of the policy, the IPID as well as the policy documentation. I've carefully considered this information to determine if Ms P had enough information to understand how the policy worked, and whether this information was clear, fair and not misleading. Having done so, I've concluded it was sufficiently clear.

The policy documentation provides a clear summary of the policy benefits and limitations, and this includes a summary of the exclusions which states there is no cover for *"Loss or damage to your car caused by deception, fraud or trickery, such as when you're selling your car."*

I'm satisfied this is set out in plain English, isn't ambiguous, and is sufficiently clear. This was detailed in a separate and concise document intended to give a policyholder an overview of their cover and was set out in a prominent position within the document. This is sent alongside the policy terms and conditions which continue to explain the limitation in more detail. And so, I find that the exclusion was clearly accessible and transparent within the documentation.

I agree with Ms P that this exclusion isn't detailed in the IPID. But I wouldn't expect this exclusion to be highlighted in the IPID. I say this because this type of exclusion is commonly found in insurance contracts across the market, and so it isn't unusual or significant. And I'd only expect unusual or significant exclusions to be highlighted in the IPID. While I accept Ms P found the term to be a significant limitation, I consider this is likely due to her recent experience having had her claim declined. But I don't find this term to leave Ms P in a disadvantageous position or cause a significant imbalance in cover. I say this as the circumstances set out within the exclusion are ones that are usually best handled by the courts who are equipped to decide the issue, rather than an insurer.

I understand Ms P says the cover she had previously didn't include this exclusion. But I haven't seen the policy documentation of her previous cover. In any case, while the wording may be different, I consider it likely it would've included a similar exclusion. And as most policies on the market have similar limitations, I find that it would've been unlikely that Ms P would have found cover elsewhere that didn't include this type of exclusion.

Ms P said that during a call with LV following her complaint, its agent confirmed that most consumers wouldn't understand the nature of the exclusion and that this was unlikely to be common knowledge. I haven't listened to this call and so can't be sure what was explicitly said and the context surrounding it. But I don't find it necessary to listen to the call as ultimately, it doesn't relate to the sale of the policy, or the information provided to her at that time – which is the subject of this complaint.

I appreciate the circumstances leading to Ms P's claim and subsequent complaints have been particularly upsetting and worrying. But I must reiterate that I have not gone on to consider whether the insurer fairly applied this exclusion to Ms P's claim as this is something that was complained about and considered previously. But for the reasons I have set out above, I am satisfied LV did enough to provide Ms P with the information she needed to understand how the policy worked. So, I don't find that it has acted unfairly and I won't be directing it to do anything here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 2 March 2026.

Oliver Collins
Ombudsman