

The complaint

Mrs P and Mr P complain about Liverpool Victoria Insurance Company Limited's ("LV") liability decision following a claim against their car insurance policy.

Mr P has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, by either Mrs P or Mr P as "Mr P" throughout the decision.

What happened

Mr P was involved in an accident which he says wasn't his fault. He reported this to LV and they handled his claim, this also included a referral to a solicitor to deal with matters on behalf of Mr P. LV then decided Mr P was at fault for the accident on the basis that their claim notes showed Mr P had slammed on his brakes causing the third party's vehicle to collide with the back of Mr P's car. Mr P then complained about the liability decision and the delay in notifying him about their decision. LV responded and explained, originally the third-party insurer accepted their insured was at fault, but they later disputed liability and claimed that Mr P was responsible for the accident. LV said their claim notes showed Mr P admitted to slamming on his brakes, so they couldn't hold the third-party responsible.

After considering all of the evidence, I issued a provisional decision on this complaint to Mr P and LV on 8 October 2025. In my provisional decision I said as follows:

"My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute. The key dispute here relates to LV's decision on liability and to hold Mr P responsible for the accident.

When an accident occurs, it's the insurer who'll decide how the claim should be settled - this includes determining which party was at fault. An insurer might choose to accept liability, propose or agree to split liability, or choose to defend any allegation of liability. While this decision rests with an insurer, and it's not the role of our service to decide who is at fault for an accident, we can look to see whether an insurer has handled the claim in a fair and reasonable manner.

In this case, Mr P's policy terms and conditions say LV are "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..." So, although the terms and conditions allow LV to decide liability in the claim made by Mr P, I've looked into how and why LV reached their decision and the evidence and arguments they considered before making a decision.

Mr P says the accident occurred as a result of the third-party driving aggressively and hitting the back of his car. He says, given these accident circumstances, the third party should've been held liable for the accident because, under UK law, "the driver who crashes into the back of another car is deemed liable." Mr P also disputes that he informed LV that he slammed on his brakes and says LV's claim notes are not an

accurate representation of what he told them when he first reported the accident. The information suggests Mr P first reported the accident over the phone, but LV say they no longer have a recording of this call. So, I've thought about the evidence I do have and whether this supports LV's liability decision.

The information shows the third-party insurer originally appeared to accept fault for the accident but then changed their decision and confirmed any previous admission and offer was withdrawn. On 21 July 2022, the third-party solicitors emailed LV and said, "We can confirm that we have grave concerns regarding the claim presented... We have spoken with our driver and the circumstances lead us to believe that your client stopped abruptly for no reason. It is therefore our opinion that your client stopped for no other reason than to deliberately induce this accident... Accordingly your client's claims are repudiated in their entirety."

LV have provided their claim notes, and this shows the accident circumstances were recorded as, "[Mr P] admits he just slammed [his brakes] on as the [third party] was right behind him as he just felt he had had enough and wanted to know what the problem was..." and "[Mr P] admitted slamming the brakes on to stop as [third-party] was right up behind him beeping trying to get passed him etc. seem like they had a lengthy road rage issue leading up to this." There is then a new repair instruction form, and this said, under the heading 'what happened', "[Mr P] put breaks on as this [third party] was harassing him beeping at him trying to overtake him, [third party] was very aggressive." LV say, on the basis of this information, it would appear the accident was caused as a consequence of Mr P 'slamming his brakes', which would mean he was responsible for the accident.

The first point I've considered is whether I'm persuaded by the version of events set out in the claim notes, or whether I think this might've been incorrectly recorded by LV. And, for a number of reasons, I'm more persuaded the account of events set out in LV's claim notes is an accurate representation of what was said by Mr P when he first reported the accident. Firstly, LV's claim notes, describing the accident, are dated 5 May 2022, which is the date of the accident, and the date Mr P reported it to LV. So, I think it's fair to treat this as a contemporaneous account of what was discussed during the first notification of the accident. Secondly, the account of the accident recorded by LV is consistent with the account of the event described by the third-party's solicitor. LV have referred to Mr P 'slamming his brakes', and the third-party solicitor has referred to Mr P stopping abruptly.

Thirdly, there's a 'Claim Notification Form' which was sent to Mr P by the solicitors appointed by LV to act on his behalf and the accident circumstances includes the following, "The Defendant [third party driver] continued...to follow the Claimant [Mr P] when the Claimant applied the brakes and stopped to see what was wrong with the Defendant." While this account doesn't specifically refer to terms such as Mr P 'slamming his brakes' or 'stopping abruptly' it does still make reference to Mr P applying his brakes to stop. This form was signed by Mr P. So, on the balance of probabilities, I think it's more likely than not, the accident circumstances set out in LV's claim notes are an accurate representation of the account Mr P had likely given at the time.

The next point I've considered is whether LV's decision to hold Mr P responsible for the accident was reasonable. Given the accident circumstances, both from the description provided by Mr P and the third-party, I don't think LV's liability decision was unreasonable. I acknowledge Mr P says there was a witness whose account supported Mr P's claim and who would've been prepared to attend court. I acknowledge Mr P's points, but I've seen the witness statement and this says the

witness, "...didn't directly see the accident. The evidence I gave to the police was more contextual." The witness commented on circumstances prior to the accident and described the third party as being "extraordinarily aggressive" and "trying to overtake in heavy city traffic." I can see LV did send the witness statement to the third-party insurer, and they responded and said the witness didn't see the accident and had drawn an opinion based on his perception of the third-party's driving prior to the collision. So, given the witness didn't see the actual accident, I do acknowledge why LV didn't place much weight on this evidence. So, I don't think it was unreasonable for LV not to have challenged the third-party insurer further in this respect following their comments on the witness statement. Taking into account all the information I've seen, I can't say LV have acted unfairly in reaching the decision they did.

There is an area though where I think LV's service has fallen below a reasonable standard – and that relates to the length of time it took for LV to reach a liability decision. The information shows Mr P reported the accident on 5 May 2022 and LV recorded the accident circumstances I've described above. The third-party's solicitor then sent an email disputing liability on 21 July 2022, which I've referred to above. In September 2022, LV referred the matter to solicitors to act on behalf of Mr P. The matter continued through the solicitors, but the claim notes show a record dated 10 July 2024, where LV say they reviewed the claim, and it appeared Mr P was at fault. The claim notes show LV referred back to Mr P's original description of the accident and him mentioning that he'd slammed his brakes. There is a note within the claim notes which says the solicitors appointed by LV hadn't been made aware of Mr P's comment about slamming his brakes. There is then a note dated 14 November 2024, which says LV had reviewed the matter internally and decided Mr P was at fault. The claim notes then show it wasn't until December 2024 that LV then informed Mr P that they would be accepting liability, and this was based on Mr P's admission that he'd slammed his brakes.

The reason LV accepted liability was based on information they had from 5 May 2022, and they were aware in July 2022 that the third-party's solicitor was disputing liability. So, it's not clear why LV didn't give consideration to Mr P's admission around July 2022 which is when they became aware of the third party's solicitor's stance on liability. I can't see there was any additional information which came to light between that point and December 2024 which then formed the basis of LV's decision to accept liability. So, given LV's reasons for accepting liability, I see no reason why LV couldn't have formed this opinion in July 2022. But it wasn't until around 24 months later that LV gave consideration to Mr P's description of the accident, and it wasn't until around 30 months later that Mr P was informed about the liability decision. It's also clear LV had concerns about the claim in July 2024, but I can't see Mr P was made aware of those concerns at the time, and it wasn't until five months later that LV informed Mr P of their liability decision.

So, I acknowledge why LV's handling of the claim has been upsetting for Mr P, and why it was frustrating for him to be informed about the liability decision when it was based on information LV were aware of around 30 months earlier. So, considering the impact on Mrs P and Mr P, and the duration of that impact, I think it's reasonable in the circumstances for LV to pay Mrs P and Mr P £300 compensation.

I wish to reassure Mr P I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my

decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service."

So, subject to any further comments from Mr P or LV, my provisional decision was that I was minded to uphold this complaint and require LV to pay Mr P compensation of £300.

Following my provisional decision, LV have responded to say they accept my decision. Mr P hasn't responded.

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.

Having done so, I see no reason to depart from my provisional decision. So, I've decided to uphold the complaint for the reasons set out in my provisional decision and copied above.

Putting things right

I've taken the view that there has been delay by LV in arriving at a liability decision and in notifying Mr P of this. So, LV should pay Mrs P and Mr P £300 compensation for the upset and frustration caused.

My final decision

My final decision is that I uphold the complaint. Liverpool Victoria Insurance Company Limited must take the steps in accordance with what I've said under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 5 December 2025.

Paviter Dhaddy
Ombudsman