

## The complaint

Mr E has complained that Liverpool Victoria Company Limited (LV) refused to insure his new motorhome under his existing motor insurance policy.

## What happened

Mr E had a motor home (MH1) insured with LV. He decided to purchase a second motorhome (MH2) and wanted to transfer his insurance for MH1 to MH2. He had a conversation with LV leading up to his purchase of a new motorhome who checked the potential model he was thinking of buying and confirmed it wouldn't be a problem to provide a quote.

Mr E went to the dealership in March 2025 to drop off MH1 and collect MH2. He handed over MH1 then rang LV to put MH2 on his insurance before collecting it. LV told him over the phone they wouldn't insure MH2. He was unhappy about this and made a complaint. LV told him they could refund the remaining premiums and waive the cancellation fee, but he wanted MH2 insured or a full refund of his premiums. He also wanted his taxi fare home paid. He went home without MH2 and purchased a new policy with a different insurer.

LV sent Mr E a final response on 13 May 2025. In it, they said in late January they decided to stop insuring motorhomes unless they were on an approved list. They said the decision was made because these types of vehicles are better suited to insurance companies or brokers that offer products tailored to them. And that the vehicle model Mr E mentioned in the phone call in January and MH2 were different.

Mr E wasn't happy with this and complained to our Service. He said that, because of LV's actions, he lost out on taxi fare; had to purchase a new policy early; paid much more for a new policy; had to give up on travel that he'd organised; and suffered inconvenience and embarrassment from not being able to pick up MH2 on the day he was supposed to.

The insurance for MH1 wasn't cancelled and in June 2025, LV sent a renewal quote for MH1 for around £580 – and Mr E felt this showed LV could still insure motorhomes.

Our Investigator looked into what happened and said LV's offer to waive Mr E's cancellation fee was fair in the circumstances. Mr E disagreed. He felt LV changed underwriting rules partway through the policy term but didn't offer any refund or compensation. He also said he had no knowledge of a cancellation fee and didn't agree it would be reasonable.

The complaint couldn't be resolved so it came to me to decide. I wrote a provisional decision partially upholding the complaint. Its findings form part of this final decision, so I've copied them in below. I also invited any further comments or evidence before I issued a final decision. I said the following:

*As ours is an informal service, I'm not going to respond to every point or piece of evidence Mr E and LV sent us. Instead, I've focused on what I consider to be key or central to the complaint. But I'd like to reassure both that I have considered everything they submitted.*

*When looking at complaints about insurance pricing, the role of our Service isn't to tell an insurer what they should charge or to determine a price for the insurance they offer. That's a commercial judgement and for them to decide. But we can consider whether we agree a consumer has been treated fairly – this involves thinking about whether there's anything which demonstrates someone has been treated differently or less favourably than other customers. If we think someone has been treated unfairly in this way, we can set out what an insurer needs to do to put things right.*

*Mr E's policy says that he must tell LV as soon as possible if he changes his vehicle. And that if the change means they can't insure him any longer, they'll give him a notice of cancellation. It says if he's paid premiums, LV will refund any money he paid less a charge for the time he's been on cover and apply a cancellation fee.*

*The change from MH1 to MH2 is a significant one and needed to be told to LV. And LV said they no longer agreed to take on cover for motorhomes and that the change of model meant they wouldn't have Mr E's choice of motorhome on risk. It's not our role to tell an insurer what risks they should cover. This is a commercial decision that they're entitled to make. I've seen information from LV's underwriters that supports the change in risk, and I can't see that LV have treated Mr E differently to any of their other customers in the same situation by telling him they won't insure MH2.*

*I appreciate that Mr E spoke to LV about a new motorhome in January 2025, and he wasn't told on that call that they wouldn't insure a newer model. But this was before the new underwriting criteria came into effect – and LV did tell Mr E that the underwriting situation was subject to change and that it might be worth him calling LV just before he got a new motorhome. Even if that wasn't the case, the type of motorhome Mr E told LV he was going to buy over the phone was a different motorhome to MH2. So, I can't require LV to honour any potential quote for Mr E.*

*Mr E has said the renewal quote LV offered for MH1 in June 2025 shows they did still insure motorhomes. But LV have explained to Mr E they would still insure existing customers for certain models of motorhomes. Since LV thought the model of MH1 was an acceptable risk for the following policy year but MH2 wasn't, I don't agree that the renewal letter shows LV's underwriting criteria allows MH2.*

*I'm sorry to hear that Mr E had to abandon his holiday plans – and that he had to take a taxi home instead of MH2. But since I don't think it was unfair for LV to refuse to insure MH2, I also don't hold them responsible for any losses caused by not having insurance for it.*

*Mr E no longer had MH1 when he asked LV to insure MH2, and since they couldn't insure MH2, there was no longer a vehicle for LV to insure. It wasn't Mr E's fault he no longer had a motorhome that LV would insure – and he shouldn't have to pay the premiums for the remainder of the policy period. I appreciate the gesture of waiving the cancellation fee, but at this point, LV should have reimbursed Mr E for the remaining time on cover regardless of whether Mr E wanted to cancel his policy or not. And it's my intention to direct LV to do this.*

LV accepted my provisional decision. Mr E didn't agree, and I've considered his comments further below.

### **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 summary, Mr E responded to my provisional decision saying: LV didn't offer a pro rata

refund of the original policy or to waive the cancellation fee; they sent him much higher insurance quotes on the day he exchanged his motorhome; they should have notified him of the underwriting changes to give him an opportunity to plan ahead – LV knew about his planned change of motorhome in January; and they never provided him with a list of motorhomes they'd accept under the policy. Mr E also explained that MH1 and MH2 were very similar – the base of the motorhome was the same, the habitation unit was produced by the same manufacturer and both motorhomes were under seven metres in length.

I carefully considered what Mr E said, but I haven't been shown anything that persuades me to change the action I'll be directing LV to take from what I set out in my provisional decision – which is to pay Mr E the amount he paid to LV for the time he was without MH1 and 8% simple interest on that amount.

I appreciate that Mr E had a long conversation with LV when trying to update his policy to include MH2, so he may not remember it, but I listened to the call Mr E had with LV when he was at the dealership. I can confirm LV did offer him a pro rata refund of the original policy and to waive the cancellation fee on the call.

From the evidence I've seen, LV wouldn't quote for MH2 at all. I wouldn't expect LV to give Mr E a list of motorhomes they did insure. I think the policy is clear about how Mr E must tell them if he changes vehicles and that the policy would be cancelled if LV can't insure the new one. There was no longer a motorhome LV could insure, and LV should have given him a pro rata refund for the remaining time on cover (which LV have now agreed to do).

No matter how similar MH2 was to models LV did insure, as I explained in my provisional decision, it's not our role to tell LV what types of motorhomes they should cover. And since they didn't cover the model of motorhome Mr E bought, I don't think it was unfair for them to refuse to insure MH2.

### **My final decision**

I uphold this complaint and direct Liverpool Victoria Insurance Company Limited to pay Mr E:

- £138.92 – for the premium he paid for the time he was without MH1, which began the day after he gave MH1 to the dealer until the last day of his policy.
- 8% interest on this amount from the day after he gave his motorhome away until the date this amount is paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 5 February 2026.

Andrew Wakatsuki-Robinson  
**Ombudsman**