

## **The complaint**

Mr H complains about how Liverpool Victoria Insurance Company Limited (LV) handled a claim made on his motor insurance policy following an accident. Mr H is represented in this matter by Miss H, a named driver on his policy.

## **What happened**

Mr H was involved in an accident. He thought this may have been due to a medical emergency. He made a claim on his policy. But Mr H is unhappy that he had to pay his policy excess and that his policy didn't cover his medical conditions and loss of earnings. Mr H also said that some of his personal belongings were missing after the car was recovered by LV's agent.

LV said the policy didn't cover medical conditions, loss of earnings or personal belongings. But, as a gesture of goodwill, it paid Mr H £300 which was the policy limit for personal possessions. Miss H thought Mr H should be compensated for the time he spent unable to work and that the policy excess fee should be waived.

Our Investigator recommended that the complaint should be upheld in part. He thought the policy excess was payable as LV wouldn't be able to recover its outlay from another party. He thought the policy didn't have cover for medical conditions or personal injuries. And he thought the policy didn't have cover for personal possessions.

He thought LV had reasonably paid Mr H £300 for his lost effects as a gesture of goodwill. But he thought LV should pay Mr H £200 further compensation for the trouble and upset caused by Miss H having to chase LV for this.

Miss H replied that this wasn't sufficient compensation for Mr H's losses. LV replied that it thought £200 further compensation was unjustified as Miss H had called once to chase the location of the personal effects. As neither party agreed, the complaint has come to me for a final decision.

## **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.

I can understand that Mr H and Miss H feel that it's unfair that Mr H has been penalised financially when they think the collision was caused by a medical condition. Mr H's car was deemed to be beyond economical repair and LV paid him a settlement for its total loss. But it deducted the £500 policy excess from this.

Mr H was unable to work after the accident and so he lost income. And he said some personal items and cash were lost when the car was recovered by LV's agent.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

I can see that Mr H's policy has an excess of £500 for accidental damage. The excess is always the first part of a claim to be paid, regardless of fault. And I think the excess is clearly

set out in the policy documents and Mr H would have agreed this when he took out the policy. So I can't say that LV should waive it.

Mr H was unable to work following the accident. But I can't see that the policy provides cover for this or any exceptions for medical conditions or any cover for them.

Mr H said his personal possessions left in the car had been lost. Miss H said there was £65 in cash, and £365 worth of possessions. LV asked its salvage agent to check the car, but these items couldn't be located. The policy didn't provide cover for personal belongings, as stated on the Insurance Product Information Document (IPID). But LV agreed to pay Mr H £300 for these as a gesture of goodwill.

I can see that if Mr H had taken out cover for personal belongings, then there would have been a policy limit of £300 and cash wouldn't be covered. Miss H didn't provide any evidence of the costs of the lost items. And LV didn't have evidence to prove that they had been in the car at the time. But LV didn't doubt that they had been lost while in the hands of its agents. So I think LV's payment was fair and reasonable.

Our Investigator thought Miss H had to chase LV for this payment. But LV didn't agree that it had caused any trouble or inconvenience. It said Miss H had called once and then called again with the prices of the lost possessions. So I've looked at LV's file to understand what happened. Mr H was in hospital at the time due to the medical condition, and Miss H was representing him.

Six days after the accident, after talking to Miss H LV emailed the salvage agent about the personal possessions in the car. But I can't see that it responded. Eleven days after the accident, Miss H called LV asking about the personal possessions in the car. Miss H said she had sent LV an email, but it hadn't received it. So she re-sent it. I've not seen this email in LV's file.

Three days later, Miss H called LV again to see if it had received the email and she again asked about the personal belongings. LV then contacted its salvage agent who said it hadn't checked the car yet. Miss H was told to expect a call from the agent.

But the agent didn't call Miss H, and she had to call LV again. LV contacted the agent that said there was nothing in the car. The car had previously been with a holding garage, and it thought any items may have been lost then.

Miss H called again the following day specifying the two lost items and the cash. And LV told Miss H to obtain the costs of the lost items for a possible claim.

Miss H then called back with the costs of the lost items. LV told her there was no cover for them. But it then offered a £300 payment as a gesture of goodwill.

So I'm satisfied that it took more than one call from Miss H to prompt LV to look for the possessions and then to compensate Mr H for their loss. I can see that Miss H called LV five times and emailed twice about this over a period of about two weeks. She didn't receive a promised call-back, and I think LV could have been more proactive in chasing the salvage agent when Miss H first raised the issue.

I think this added to Miss H's stress at a difficult time when LV was aware that Mr H was in hospital and Miss H was managing the claim on his behalf. Our Investigator recommended that LV should pay Mr H £200 further compensation for this trouble and upset. And I think that's fair and reasonable as it's in keeping with our published guidance.

### **Putting things right**

I require Liverpool Victoria Insurance Company Limited to pay Mr H £200 compensation for the distress and inconvenience caused by its handling of his claim.

### **My final decision**

For the reasons given above, my final decision is that I uphold this complaint in part. I require Liverpool Victoria Insurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 29 April 2026.

Phillip Berechree  
**Ombudsman**