

The complaint

Mr J and his mother Mrs N complain that Liverpool Victoria Insurance Company Limited trading as LV= (“LV”) responded unfairly to a claim on a motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a car, first registered in 2009.

Mr J acquired the car in January 2025. DVLA issued a V5 registration document dated 26 January 2025 showing that Mr J was the registered keeper.

Mrs N took out a policy to cover the car for the year from 27 January 2025. She paid a deposit of about £125.00 and agreed to pay eleven monthly instalments of about £70.00.

Mr J reported that in early April 2025, a fire had damaged the car. LV said the car was a total loss.

On about 19 May 2025, Mr J told LV that he’d been the registered keeper and owner of the car.

LV said that, when she took out the policy, Mrs N had made a reckless misrepresentation, so it was treating the policy as void from the start (but keeping the premium) and declining the claim.

Mr J and Mrs N complained to LV that it should meet the claim.

By a final response dated 9 July 2025, LV turned down the complaint.

Mr J and Mrs N brought the complaint to us in late July 2025.

Our investigator didn’t recommend that the complaint should be upheld. She thought that LV had taken reasonable action in line with Consumer Insurance (Disclosure and Representations) Act 2012 (“CIDRA”).

Mr J and Mrs N disagreed with the investigator’s opinion. They asked for an ombudsman to review the complaint. They say, in summary, that:

- At most, this was a careless misrepresentation, not a reckless one.
- LV’s assertion that it would not have offered cover had the V5 been in Mr J’s name has been accepted without challenge. LV’s underwriting criteria have not been disclosed.
- Voiding the policy while retaining all premiums is disproportionate in the circumstances.

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.

CIDRA imposes a duty on a consumer to take reasonable care not to make a misrepresentation when taking out an insurance policy. A consumer is in breach of that duty if they make a misrepresentation that is careless (or reckless or deliberate).

A careless (or reckless or deliberate) misrepresentation is a "qualifying misrepresentation" under CIDRA if it makes the difference that the insurer wouldn't otherwise have offered cover at all or on the same terms. For a qualifying misrepresentation, CIDRA gives the insurer certain remedies.

If the misrepresentation was merely careless, but the insurer wouldn't otherwise have offered cover at all, then CIDRA gives the insurer the remedy of treating the policy as void (returning the premium) and declining any claim.

If the misrepresentation was reckless or deliberate, then CIDRA gives the insurer the remedy of treating the policy as void and declining any claim and not returning the premium.

The Financial Conduct Authority's dispute resolution rules allow a regulated firm to send us evidence that we may treat as confidential.

LV sent us underwriting evidence that is commercially sensitive and which I accept is confidential. From that evidence, I'm satisfied that LV wouldn't have offered Mrs N a policy if it had known that the named driver rather than the policyholder was the registered keeper and legal owner.

I'm satisfied that, before she took out the policy, a comparison website asked Mrs N the following question:

"Are you (or will you be) the registered keeper and legal owner?"

I consider that the question was clear enough.

Mrs N selected the answer 'yes'.

That answer wasn't correct. Mr J was the registered keeper and legal owner. So Mrs N made a misrepresentation.

The V5 clearly said that Mr J was the registered keeper. And Mrs N must've known that Mr J rather than she had bought the car and the V5 was in his name.

So I'm not satisfied that Mrs N took reasonable care not to make a misrepresentation to LV. I consider that she made a misrepresentation to LV that was at least careless.

I don't find that LV treated her unfairly by treating the misrepresentation as not merely careless but reckless as to the truth in that she didn't care whether the answer was correct or not.

I've been satisfied that Mrs N made a careless qualifying misrepresentation. I've also been satisfied that LV wouldn't have offered Mrs N a policy if it had known that she wasn't the registered keeper and legal owner. So CIDRA entitled LV to the remedies of treating the policy as void and declining the claim.

I haven't found that LV treated Mrs N unfairly by treating the misrepresentation as reckless. So (even if I hadn't also been satisfied that LV wouldn't have offered Mrs N a policy if it had known that she wasn't the registered keeper and legal owner), CIDRA entitled LV to the remedies of treating the policy as void and declining the claim and not returning the premium.

As those remedies were in line with CIDRA, I don't consider that LV treated Mrs N or Mr J unfairly by applying them.

I don't conclude that it would be fair and reasonable to direct LV not to record that it treated the policy as void or to refund premium. I don't conclude that it would be fair and reasonable to direct LV to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Liverpool Victoria Insurance Company Limited trading as LV= to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Mrs N to accept or reject my decision before 16 March 2026.

Christopher Gilbert
Ombudsman