

Complaint

Mr D and Mrs N are unhappy with Liverpool Victoria Insurance Company Limited's (LV) decision to pay another driver's claim against his car insurance policy.

Background

Mrs N is a named driver on Mr D's policy. In February 2018, Mr D received a call from LV to say that they'd received a claim from another driver's insurer. The other driver's insurer said someone driving his car had been involved in an incident which had caused damaged to the other driver's car.

Mr D didn't think he or Mrs N had been involved. LV sent an engineer to look at Mr D's car, the engineer noted some damage to the car which he said was consistent with the damage to the other driver's car. Mr D says the damage had been there since he bought the car.

LV also spoke to a witness who, they said, gave a description which matched Mrs N, as being the driver of Mr D's car at the time of the incident. Given the information they had LV didn't think they could show it was most likely Mrs N wasn't responsible for the accident if the case went to court, so they settled the claim on a without prejudice basis.

Mr D didn't think it was fair for LV to rely on the description given by the witness. And Mr D isn't happy that LV have taken the decision to settle claim against his policy and that they didn't keep him updated about what was happening.

Our adjudicator considered Mr D and Mrs N's complaint. He thought LV had handled the claim fairly – taking into account all the information they had available. Mr D said he wanted the complaint reviewed by an ombudsman so it's been passed to me.

My findings

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 don't think LV have treated Mr D and Mrs N unfairly. I realise they'll be disappointed but I'll explain why.

The terms and conditions of the policy say that LV have total control to conduct, defend or settle a claim. And it's not my role to decide if Mrs N was involved in the accident but to consider whether LV have dealt with the claim against her fairly and reasonably. So I've looked at what LV did, the information they had about what had happened and the reasons they've made the decision they have.

I can see they've taken into account what Mr D has told them when they spoke to him about the incident.

Mr D thinks LV made their decision to settle the claim against him straight away without any investigation. This is because they told him in the first call that they'd likely settle the claim based on the description of the driver and if the engineer's report found damage consistent with the incident that had been described. I don't think it's unreasonable for LV to have said this and I don't think it means they'd already made a decision – I think it's most likely they were trying to manage Mr D's expectations and give him an idea of what the outcome might be.

Initially Mr D told LV that he and Mrs N would have been at work at the time of the incident and that the car would have been parked at their home. But he later said that Mrs N had been in the area where the accident happened, but only very briefly and hadn't been involved in the incident. So I think there have been some inconsistencies in his account of what might have happened.

LV sent an engineer to inspect Mr D's car. And I've seen this report and the photographs taken of the car. It was the engineer's view that the damage to the car was consistent with the damage to the other driver's car. And I don't think it was unreasonable for LV to rely on that report. LV have also considered the photographs of the damage to the other driver's car – which I also find reasonable in the circumstances.

LV also spoke to an independent witness who was present at the time of the incident. She said she'd seen Mr D and Mrs N's car reverse into the other driver's car when it was parked in the car park. The witness also described the driver and LV thought this description matched the description of Mrs N. The witness also provided a photograph of Mr D's car leaving the scene of the incident.

I've thought about the description provided by the witness. I don't think it was unreasonable for LV to rely on this and although Mr D initially said his car wouldn't have been in the area at the time the incident occurred, he later agreed that the description given by the witness could have been his wife. And that his wife had driven the car to the area in question, albeit only for a few minutes. The witness also provided a photo that was taken at the time – this clearly shows the registration number of Mr D's car as set out in the policy documents. Given all this information, I think it was reasonable for LV to conclude they probably wouldn't be able to show it was most likely Mrs N hadn't been involved.

Mr D has mentioned on several occasions he was concerned that LV hadn't done anything to satisfy themselves this wasn't a fraudulent claim. But LV have responded to say they don't have any fraud concerns in relation to this claim – and I don't think, based on what I've seen, that's unreasonable. I say this because they've seen evidence of the damage to the other driver's car, inspected Mr D's car and spoken to an independent witness.

Mr D is particularly unhappy that he asked to be kept updated about the claim and that he wanted to talk to LV before any decision was made. I can't see that LV tried to get in touch with Mr D before it told him it'd made its decision to settle the claim. I see why Mr D wanted them to discuss it with him first and, based on the notes they've provided it seems they did tell Mr D they would call him to discuss the outcome.

But I don't think this makes a difference to the outcome of Mr D and Mrs N's complaint. I say this because the terms allow LV to conduct the claim – which means it was up to them to decide how to settle it. And in the circumstances, even if they had called Mr D first, I don't think this would've changed the decision they ultimately made.

Taking into account all the information it had, I think LV settled the claim fairly and reasonably and in line with the terms and conditions of the policy. LV have also confirmed they settled the claim on a without prejudice basis which means Mr D and Mrs N can pursue this themselves without LV's involvement if they want to.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs N to accept or reject my decision before 29 August 2019.

Eleanor Rippengale
ombudsman