

complaint

Ms S complains about how Liverpool Victoria Insurance Company Limited (LV) handled her claim made under her motor insurance policy following an incident. She says that it wasn't her fault, but her premiums have increased as a result. She wants her claim investigated to ensure fairness.

background

Ms S made a claim under her motor insurance policy for damage to her car. Another car had hit hers whilst it was parked unattended. LV spoke to a witness to the incident, but she couldn't recall the vehicle registration number. However, another person, a receptionist, said she knew who had hit Ms S's car. LV asked for CCTV evidence and was told that the cameras didn't point in the right direction. LV wasn't able to identify the other driver, so it recorded the claim as "fault". But it seems that the administrator who answered its CCTV query was the same person identified by the receptionist as the driver of the third party car.

Ms S complained that LV should have done much more. LV rejected her complaint, still relying on the same administrator's information that CCTV footage didn't point in the right direction. Ms S also made her own enquiries and emailed the alleged third party.

The adjudicator recommended that the complaint should be upheld on two grounds. He thought that LV was aware of the conflict of interest in the CCTV evidence quite early. He thought it should have resolved it. It should also have realised that the receptionist was a potential witness. LV agreed with this and, later, agreed to refund Ms S's excess. LV agreed to mark the claim as "non-fault" on all internal and external databases. It said it would refund any additional premium if Ms S's current insurer wouldn't re-rate and refund any extra premium. However, Ms S has not reinsured. It also agreed to reinstate her no claims bonus (NCB), but this had been lost due to another incident. LV also paid Ms S £100 for the frustration it caused her.

Ms S replied that justice hadn't been done. She wanted LV, or someone, to start further enquiries now to get to the truth.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I can understand that this has been a frustrating and upsetting experience for Ms S. Her car was damaged. Because LV couldn't identify who caused the damage and recover its outlay, the claim was recorded as a fault against Ms S. This meant that her premiums increased such that she couldn't afford to insure her car. Ms S feels that others are covering up evidence to protect the third party.

I can see that LV agrees that it made errors in investigating Ms S's claim. It agrees that it should have recognised that there was a conflict of interest in that the person responding to its enquiry regarding CCTV footage was the person who allegedly hit Ms S's car. It should have asked someone else to assist with the CCTV. It also agrees that it should have interviewed the receptionist who may have provided more detail of the third party. The adjudicator has already explained that further investigation may have been fruitless. Nevertheless, I think that LV's failures may have prejudiced Ms S's position.

In cases like this, we ask that the consumer's position be restored. I can see that LV agreed to refund Ms S's excess, remove records of the "fault", and to refund any extra premium if required. It also agreed to restore her NCB, but this was affected by a further incident. This restored Ms S to the position that she was in before the incident. I think this is fair and reasonable.

Ms S says that she still feels that she is being punished. She thinks that the third party is "getting away with it". But I don't think that it's for LV to continue its investigation. Ms S feels that there has been a "cover up", but I don't think this is something that LV is responsible for. LV also offered Ms S £100 compensation for the frustration caused her. I think this is reasonable as this is in keeping with the award we'd recommend.

my final decision

For the reasons I've discussed, it is my final decision that I uphold this complaint and I require Liverpool Victoria Insurance Company Limited to do the following, as it's agreed:

1. Mark this claim as "non-fault" on all internal and external databases and provide Ms S with a letter confirming this.
2. If Ms S's current insurer will not recalculate her new premium with the claim as non-fault, Ms S should provide evidence of this to LV. LV should then refund the difference, plus interest at 8% simple per annum from the date of payment to settlement (less tax if properly deductible)
3. Pay Ms S £100 for her trouble and upset.
4. Refund Ms S her excess of £500.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms S to accept or reject my decision before 10 September 2015.

Phillip Berechree
ombudsman