

complaint

Mr B complains that Liverpool Victoria Insurance Company Limited (LV) delayed settling his claim under his motor insurance policy. He's also unhappy with its decision on liability. He wants it to refund his excess and pay him compensation for his expenses.

background

Mrs B, a named driver on the policy, was involved in an incident when she collided with a bus. The bus driver said she pulled into the bus' lane. Mr B paid his excess and LV investigated the incident. The police told Mrs B that it wouldn't be taking her to court for driving without due care and attention.

Mr B said LV didn't respond to his requests for updates. After five months it told him that it had the wrong registration number for the bus. It refunded half his excess as compensation for this, but Mr B didn't accept this. So it paid him £100 compensation for his expenses and the delays, which Mr B accepted. Six months after the incident, LV said it had looked at CCTV footage and decided that Mrs B was at fault. So it accepted liability for the other driver's claim and retained Mr B's excess.

Our adjudicator didn't recommend that the complaint should be upheld. He thought LV had justified its decision to accept liability. So it didn't need to refund the excess. He thought there had been delays in handling the claim, but he thought £100 compensation for this was enough.

Mr B replied that he thought the bus company had admitted liability and he wanted his excess refunded.

my findings

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 B felt very frustrated with LV's handling of his claim, its delays and slow response. I can see that he has spent time and money in trying to get it to settle the claim and to refund his excess.

LV has retained the excess because it decided to accept liability for the incident and to hold Mr B at fault. The adjudicator has already explained that it isn't our role to decide who was responsible for causing the incident. This is the role of the courts. Instead, our role in complaints of this nature is simply to investigate how the insurer made the decision to settle the claim. Did it act fairly and reasonably and in line with the terms and conditions of the policy?

LV is entitled under the terms and conditions of its policy with Mr B to take over, defend, or settle a claim as it sees fit. So Mr B has to follow its advice in connection with the settlement of his claim. This is whether he agrees with the outcome or not. This is a common term in motor insurance policies.

Mr B says the bus company admitted liability and the police said there were no issues with the claim. But I don't agree with him. From the records I can see that the bus company disputed liability with LV. It relied on the CCTV footage to show that Mrs B was at fault. The police said there was a reasonable prospect of conviction if it took Mrs B to court.

I think that LV considered the evidence and decided that it would have little chance of defending the matter in court. It therefore accepted liability on Mr B's behalf. I think this was reasonable. It's justified its decision and it's entitled to do this, according to the policy terms.

As a fault claim was registered, LV retained the excess. This is common practice and also explained in Mr B's policy. I think this too was reasonable. I don't think LV needs to refund this.

LV agrees that there were delays in handling the claim. This seems to be due to it having the wrong registration number for the bus. When this was sorted out, CCTV footage was obtained and the claim decided. I can appreciate Mr B's stress and frustration, but I think LV's payment of £100 compensation for this delay is reasonable. It's in keeping with the level we'd award. I don't think LV needs to pay him any more.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 March 2016.

Phillip Berechree
ombudsman