

## **The complaint**

Mr D complains about Liverpool Victoria Insurance Company Limited trading as LV ("LV") and the way they handled the claim he made on his breakdown insurance policy.

## **What happened**

The claim and complaint circumstances are well known to both parties. So, I don't intend to list them chronologically in detail. But to summarise, Mr D held a breakdown insurance policy underwritten by LV when he travelled to Europe. Unfortunately, on 27 July 2023, Mr D's tyre on his motorbike split. So, he contacted LV to make a claim on this policy.

LV were unable to ensure a repair was completed at the roadside. So, Mr D's motorbike was taken to a local garage to complete a repair. But this repair wasn't completed until 2 August, which was after his intended return date. LV covered Mr D's accommodation costs while he waited for a repair to be completed, and they also covered the cost of Mr D's travel back to the UK. But Mr D was unhappy that LV had refused to cover the cost's he'd incurred while remaining abroad, including loss of earnings. And he was unhappy with the tyre fitted by the garage. So, he raised a complaint.

LV responded to the complaint and upheld it in part. They thought they had acted fairly, and in line with the terms of the policy he held, when processing the claim and covering the costs they had already. So, they didn't think they were unreasonable to refuse covering any additional costs, including Mr D's loss of earnings. And they explained any issue regarding the tyre the local garage fitted would be something Mr D would need to raise with that garage directly, as it wasn't something they were responsible for. But they did accept there had been delays in reimbursing Mr D all of the costs he incurred that they felt they were responsible for, so they paid Mr D £150 to recognise any distress and inconvenience this caused. Mr D remained unhappy, so he referred his complaint to us.

Our investigator looked into the complaint and didn't uphold it. They thought LV had acted fairly, and in line with the policy terms, when processing the claim. While they noted the inconvenience caused to Mr D needing to stay in another country for longer than he expected, they didn't think this was because of any errors LV made. And they explained why they thought the £150 paid by LV was a fair one to recognise any miscommunication provided, and any delays in reimbursement being received. So, they didn't think LV needed to do anything more. Mr D didn't agree with this view, so his complaint has been passed to me for a 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.

Having done so, I'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr D. I don't doubt the inconvenience and distress Mr D would've been caused when his tyre split whilst he was in Europe. And I appreciate how this was made worse by the unfortunate timing, just before he was due to return to the UK. I also recognise Mr D took out the policy with LV to assist him both practically and financially in situations such as the one he found himself in. So, as Mr D felt LV had failed to assist him in both ways during the claim, I can understand why he'd feel unfairly treated and raise a complaint about this.

But for me to say LV should do something more than they have already, for example increase the level of compensation or reimburse Mr D for costs that haven't been already paid, I'd need to be satisfied LV failed to act in line with the policy terms when processing and settling the claim as they did. Or, if I think they did act within these, I'd need to be satisfied they acted unfairly in some other way, that hasn't already been fairly addressed by the £150 LV have already paid. And in this situation, I don't think that's the case.

I've carefully read the terms and conditions of the policy Mr D held, to understand the cover it provided. And within these terms, I think it's made clear that if a vehicle that's broken down can't be repaired at the roadside, LV would then arrange for it to be taken to a local garage. And I can see this is what they did here.

The terms then go on to explain a variety of options that were available to Mr D. This included him being provided with a hire vehicle. While I recognise this is the option he wanted, from what I've seen I can see LV were unable to source one for him. Considering the breakdown occurred around a weekend, in a foreign country, I don't think I can say LV were unreasonable or unfair when not being able to find a hire vehicle, as they would be impacted by resources that were outside of their control.

But I would expect them to then follow one of the other options set out within the policy. And one of these included paying for overnight accommodation while Mr D's motorbike was repaired. And I can see LV covered these costs, which allowed Mr D to remain in the foreign country until his car was repaired and returned to him. So, I don't think I can say they failed to act outside of the terms of the policy here.

I've also seen that under the terms of the policy, Mr D's vehicle was covered for repatriation. And as Mr D chose to drive his motorbike back, after being provided accommodation to wait for the repairs to be completed, I think LV acted fairly, and in line with the terms of cover offered here.

But crucially, the terms also explain under the "*Service Limitations and Exclusions*" section that LV aren't responsible for "*Any loss of business, loss of profit, loss of revenue, loss of contract, loss of goods or any direct or indirect losses incurred as a result of the services provided to you under this policy or the delay, or alleged delay in providing such services*".

So, while I recognise Mr D would've needed to pay for services such as food and travel while waiting for his motorbike to be repaired by the garage, I think the terms and conditions make it reasonably clear that LV wouldn't be responsible for the reimbursement of these. And the same can be said for Mr D's potential loss of earnings as he'd been unable to return to the UK on the date he'd intended. So, I don't think I can say LV acted outside of the terms and conditions of the policy here.

Finally, I recognise Mr D thinks LV should cover the cost of a replacement tyre, as the one fitted by the garage wasn't correct. But the policy provides cover for a breakdown, and roadside assistance. And where a roadside repair can't be completed, LV's responsibilities

are limited to ensuring Mr D's motorbike reached a garage for repair. Any concerns Mr D had regarding the repair the garage completed would be an issue he would need to raise with the garage directly, as this isn't something LV were responsible for.

But as I've explained above, as well as thinking about whether LV acted in line with the policy terms, I've also thought about whether they acted fairly. And I think it's accepted by LV that they could've communicated with Mr D more effectively and ensured reimbursements he was entitled to were paid to him quicker than they were. As these points are accepted, I don't intend to discuss the merits of these in more detail.

I note Mr D has also expressed his concerns at the length of time the claim took. But I note the breakdown itself occurred on a Thursday evening, meaning no garages were open to attempt a repair on the same day. From what I've seen, LV were able to source a garage to take Mr D's motorbike the following day, a Friday. And it appears a replacement tyre needed to be ordered and received, which was then impacted by the garage opening hours over a weekend.

While I do recognise the frustration this would've caused Mr D, I think in any breakdown situation there is expected to be some inconvenience caused. And from what I've seen, I don't think I can say LV have made an error when handling the claim that led to an increase in the inconvenience caused to Mr D, considering the elements of the claim they were responsible for and able to influence. So, I don't think this should be considered when thinking about the compensatory payment made by LV.

I note LV have issued a £150 payment to Mr D, which for the purposes of this decision I am assuming has been cashed. And I think this payment is a fair one, that falls in line with our service's approach and what I would've directed, had it not already been made.

I think it fairly reflects the frustration Mr D would've felt when attempting to communicate with LV to understand the progress of his claim during what would've been an already stressful time, without always receiving an appropriate answer to his questions. And I think it also acknowledges the frustration he would've felt when awaiting full reimbursement of the costs he incurred, that LV were responsible for, and the delays LV have accepted occurred.

But I think it also fairly considers the fact much of Mr D's frustration, and the inconvenience he suffered, were caused by the actual breakdown itself and then the delays in the garage sourcing a replacement tyre, which Mr D disputes is the correct one. And, that all of this was outside of LV's control, and the responsibilities under the terms of the policy they provide. So, I don't think LV need to do anything more on this occasion.

If Mr D didn't cash the original cheque sent to him, he would need to engage with LV directly to arrange for a new cheque to be sent.

### **My final decision**

For the reasons outlined above, I don't uphold Mr D's complaint about Liverpool Victoria Insurance Company Limited trading as LV.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 April 2024.

Josh Haskey  
**Ombudsman**