

## **The complaint**

Mr K complains that Liverpool Victoria Insurance Company Limited unfairly declined a claim he made on his motor insurance policy.

## **What happened**

In March 2022 Mr K reported a claim to LV. He'd been driving with a passenger when he crashed into the car in front of him at a roundabout.

LV assessed the damage to Mr K's car and initially made an offer for its value because it said it was a total loss.

But LV then did further investigations and decided to decline the claim around six months after it had been reported. It said there were inconsistencies between the damage to the car and the circumstances of the incident. It was also concerned with the lack of detail provided by Mr K's passenger, and that Mr K's relative (who Mr K said had attended the scene after the accident) hadn't been available for interview.

Mr K complained, but as LV didn't agree to change its position, a complaint was brought to this service.

Our investigator thought LV had acted unfairly in declining the claim. He said Mr K wasn't interviewed until around four months after the accident and he wasn't persuaded there had been inconsistencies that justified declining the claim. He recommended LV reassess the claim in line with the remaining policy terms. He also said it should pay £150 for the distress and inconvenience caused by the delay in responding to the claim.

LV didn't accept that outcome. It said Mr K's passenger had almost no recollection of the surrounding scene of the accident. It also thought it significant that the other driver involved in the accident had withdrawn his non-fault claim for damage to their car. It accepted there had been delays, but didn't accept any compensation was justified given its concerns.

As the matter hasn't been resolved, it has come to me to decide.

## **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.

When making a claim under an insurance policy, it is for the insured (so in this case Mr K) to show he's suffered a loss that is covered under the policy. If he can do so, then the insurer needs to meet the claim, unless any of its policy's exclusions apply. In this case, LV has said Mr K hasn't shown he's suffered a loss covered by the policy. It isn't persuaded the accident has happened in the way Mr K has described.

Having reviewed the matter, I'm not persuaded LV has acted fairly in declining the claim. I've explained why below.

I accept there are some inconsistencies between what Mr K has said, and the third-party driver (who I'll refer to as 'A'). But I consider these to be relatively minor details. For example, Mr K says he wrote his insurance details down on paper as A's phone was out of

battery. Whereas A said he wrote down Mr K's details. But they were both consistent in saying A's phone battery had run out. And as Mr K's interview took place around four months after the incident happened, I think it's reasonable that such a minor detail as to who wrote down Mr K's details, may be forgotten.

LV has also noted Mr K initially said he intended to go straight on at the roundabout, but from reviewing Google maps, it actually looks like Mr K took a different exit after the accident happened. It says this is inconsistent. I'm not persuaded this means Mr K has misrepresented how the accident took place. He said after the accident he tried to drive his car a short distance but decided it was too damaged, so sought a lift from a relative. This doesn't seem unreasonable.

There are other issues raised by LV, it is concerned that Mr K's passenger had little recollection of the scene of the accident. And that Mr K's relative didn't want to be formally interviewed (although he had spoken to LV). These two factors don't persuade me, in the absence of anything else, that the accident didn't happen the way Mr K described. Mr K's passenger said it was late and she wasn't looking at the road when the accident happened and that she was also in an unfamiliar area. I think that's plausible. Mr K's relative wasn't there when the accident happened, he came later, so he wouldn't have any testimony about the incident itself anyway.

LV also has concerns about the actions of A. It says A withdrew his non-fault claim a number of months after the accident and it found that suspicious. But that doesn't persuade me that Mr K has misled LV. LV hasn't been able to show any link between Mr K and A. So, I consider it unfair to link A's actions to those of Mr K. Mr K's claim can't be declined simply because A decided not to pursue his.

I find that there are parts of the statements that are consistent. And the engineer's report concludes that the damage is consistent with the type of collision reported in this case. The report says it doesn't appear Mr K's car was braking at the time of collision. Mr K says in his statement he didn't know what had happened and or how he ended up going into the back of the vehicle in front. This suggests to me he wasn't using his brake at the time of collision, so I find this is consistent with what the engineer's report says.

Having considered all of the evidence, I'm persuaded Mr K has done enough to show he's suffered damage to his vehicle which is covered under the policy. So, I consider LV has acted unfairly in declining the claim. To put things right it will need to reconsider Mr K's claim, in line with the policy terms.

LV did provide a hire car to Mr K whilst it investigated the claim, but I still consider it has caused Mr K unnecessary distress and inconvenience in unfairly declining the claim at this stage. So it will need to pay £150 for the unnecessary distress and inconvenience caused.

## **My final decision**

My final decision is that Liverpool Victoria Insurance Company Limited needs to reconsider the claim in line with the policy terms.

It also needs to pay Mr K £150 compensation for unnecessary distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 1 August 2023.

Michelle Henderson  
**Ombudsman**