

## The complaint

Mrs E has complained about the service she received from Liverpool Victoria Insurance Company Limited (LV) when she made a claim to repair her car following an accident under her motor policy.

References to LV includes all its agents.

## What happened

Mrs E's car was damaged whilst parked in a car park on 6 April 2023. Sadly, the other driver was never identified. So, she made a claim to LV. It appointed its approved repairers to repair the damage. That approved repairers couldn't take the car in until 15 May 2023. And sadly, didn't repair Mrs E's car properly so that it had to be returned again. This wasn't approved by LV until 4 July 2023 and her car didn't go back to the approved repairers until 24 July 2023. Unfortunately, the repairs weren't completed to an appropriate standard again, which was eventually confirmed by an independent engineer. Plus, the approved repairer had caused further damage which also needed to be repaired.

So, then Mrs E was permitted to choose her own repairer and her car has now been eventually repaired but only shortly before the investigator's view in November 2023. However, Mrs E was put to considerable trouble herself in trying to find a garage who would be prepared to repair someone else's mistakes. She said she went to five different garages to obtain relevant quotes too.

But for the first period of repair of five days, Mrs E has been in a hire car throughout with further varying issues concerning that.

Mrs E's policy came up for renewal in May 2023 and she said she received legal advice that it was advisable that she should renew her policy at that time given these faulty repairs. Mrs E felt consequently that LV should also refund her excess payment given she wasn't able to search the market for cheaper insurance. And she was aggrieved that when she phoned up to renew the policy LV then took her payment a month early.

LV acknowledged its service failings and paid Mrs E £100 compensation. Mrs E didn't think this was sufficient and brought her complaint to us. The investigator was of the view her complaint should be upheld for further compensation and he recommended LV should pay a total of £300 compensation. LV agreed to this, but Mrs E didn't think it was enough for the excessive amount of chasing she had to do. On this basis Mrs E's complaint was passed to me to decide.

I issued a provisional decision on 7 March, and I said the following:

*'Having done so I'm upholding this complaint for further compensation than that of the investigator. I'll now explain why.'*

*First there are two issues which Mrs E raised which I won't be considering. The first is that it's a contractual duty under any policy of insurance that a policyholder pays*

*an excess. So, this isn't refundable in the way Mrs E believed. More so it also isn't refundable where an insurer like LV here gets things wrong. When an insurer gets things wrong, the correct approach is to consider what if any compensation might be payable given the impact its mistakes had on the policyholder.*

*The second is that I can't comment on what legal advice Mrs E was given about needing to renew her policy. It's fairly common people have moved motor insurers before an incident on a previous policy has been completed. There is certainly no requirement that you must stay with the same insurer in these circumstances. Also, LV did nothing wrong in taking her payment a month early as that's when Mrs E rang to confirm she would be renewing her policy.*

*However, on reading through what Mrs E said and LV's file, this is an excessively long time to repair some damaged body work on a car. Insurers are under a duty to deal with claims promptly. I don't consider choosing approved repairers with a five-week waiting list is dealing with a claim promptly. I also consider that it's irrelevant that Mrs E's car was still driveable at that time either. Sadly, after this approved repairer had dealt with Mrs E's car twice it had caused further damage then rendering her car not driveable at all. And I can also see from LV's file that this repairer is no longer on LV's list of approved repairers either.*

*Mrs E is elderly and still works and needs to ferry around equipment for her work. Plus, she is also recovering from a serious illness. I consider the time from when this accident occurred in the beginning of April 2023 up to the last final response letter at the end of September 2023 to be a significant length of time to deal with this claim. And sadly, even by the end of September 2023, Mrs E's car was not yet then fully repaired. It thankfully is now.*

*I can see from LV's file, the number of times Mrs E had to phone or send emails, often having to repeat herself several times in the process. A considerable number of these contacts were chasing LV to respond. I don't consider that's a reasonable standard of service to Mrs E or any policyholder.*

*Whilst I note LV at least kept her in a hire car from the time of the completion of the first repair, there were understandable difficulties with those hire cars given their size as either being too big or too small to deal with her work equipment and indeed allowing her to park it in her garage to keep it safe. I would normally feel that such issues, given there are only in being for a short time, are part and parcel of the inconvenience of making a claim. However here, Mrs E was having to deal with these inconvenient issues of the hire cars for several months. That in turn caused her an unacceptable level of the normal inconvenience of just making a claim. So, whilst she at least had the use of the car, having to deal with these hire car issues for this long wasn't acceptable in my view.*

*I don't consider it matters Mrs E hadn't originally paid extra premium for a guaranteed hire car. That is because the necessity here to give Mrs E a hire car was down to the ineptitude of the approved repairers rather than the claim being made.*

*I can also see that Mrs E effectively had to find her own repairers when LV's approved repairers messed up for a second time. She had to visit five different garages before she was successful. Then there were delays in the independent engineer instructed by LV to sign her car off as properly repaired. This doesn't seem reasonable for a relatively simple bodywork repair from a carpark incident.*

*Mrs E has told us in no uncertain terms how dreadfully stressful she has found the entire issue given her particular circumstances. And it's the impact on Mrs E which is relevant here. Therefore, I consider LV should pay Mrs E a total of £500 compensation for the gross delay in repairing her car plus the significant amount of contact and chasing Mrs E had to have with LV in order to get her car repaired properly. This is to include the £100 compensation it has already paid her. This is in line with our approach as fully detailed on our website.'*

Mrs E agreed with my provisional decision. However, she said she never received the £100 compensation allegedly already paid to her by LV. It hasn't shown up in her bank account or card statements or by post.

LV didn't agree with my increased compensation but did agree with the original level of compensation suggested by the investigator. Since Mrs E's car was driveable it didn't think waiting for five weeks to get it fixed was unreasonable. It said she could have used her own repairer, but she didn't want to pay the extra excess required for doing so. And she didn't want to use any of the other LV approved repairers as they weren't approved repairers for her make of car.

It didn't agree with my assessment of Mrs E's hire car issues. It said it did try calling her to resolve her issues with the size of her car. It also noted it didn't challenge her that she was using the hire car for work when she didn't have business use on her policy. It didn't think I should take in the first five weeks' delay as being relevant to the compensation levels.

### **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 again, I remain of the view that what I recommended in my provisional decision is fair and reasonable. LV made no mention of the fact that its approved repairers had to try and repair Mrs E's car twice and then caused further damage to it. Then Mrs E effectively had to find her own repairers to fix that damage. It also made no mention of the number of times Mrs E had to contact it and chase it for further updates and effectively push it along to get her car properly repaired.

I also remain of the view that a simple bodywork repair case from a carpark incident should not have taken from the beginning of April to the end of September to repair.

Given Mrs E has said she never received the initial £100 compensation which LV said it paid her, LV should now check to see if this compensation is properly cashed or transferred and explain how to Mrs E, if so. If it transpires this compensation has never left LV's account, then it must include it now. In other words, LV should pay Mrs E a total of £500 compensation.

## **My final decision**

So, for these reasons it's my final decision that I uphold this complaint.

I now require Liverpool Victoria Insurance Company Limited to pay Mrs E a total of £500 compensation, having first ascertained where its original initial payment of £100 compensation has gone, which Mrs E said she has never received.

If that £100 compensation has never left LV's account as in never been cashed, then it should include it now.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 11 April 2024.

Rona Doyle  
**Ombudsman**