

## The complaint

Mr B has complained about the delays and customer service he received from Liverpool Victoria Insurance Company Limited following his claim under his motor policy for the repair of his car.

## What happened

On 31 March 2023, Mr B drove through a ford which appeared to be too full of water due to an on-going flood situation which caused damage to his electric car. On 5 April 2023, He made a claim to LV for its repair.

Mr B said that LV couldn't source an approved repairer for electric cars, having tried two such approved repairers. Mr B said he had to source a repairer himself to which LV then agreed could repair his car. Mr B said he took his car to this garage on 11 April 2023 and due to delays caused by LV in approving the repairs, he didn't receive his car back until he returned from holiday on 22 May 2023. The car was ready earlier, but Mr B was on holiday from 6 May to 19 May 2023.

As Mr B hadn't chosen the add on in the policy for the provision of a hire car during any repairs, he said because of the delays in getting it repaired he went to collect his wife's car which they kept in the Lake District to use instead of having no car.

Mr B felt he had to make an excessive number of calls with LV to chivvy along the repairs of his car which only took around two or three days to physically repair, which he considered unreasonable and which he said caused him trouble and inconvenience. He believed his excess payment should be refunded.

Also, in an effort to mitigate his inconvenience of being without a car, Mr B was of the view that LV should refund his costs for Mr B and his wife to travel to the Lake District by train (a considerable distance from Mr B's home) to collect his wife's car to use instead. Plus, it should pay for the cost of using that car for that time-period also.

LV agreed that its handling of the matter was below its usual standard, and it ultimately paid Mr B a total of £300.00 for his trouble and inconvenience.

Mr B didn't think that was enough and believed he should receive £1,600 compensation to include reimbursement of the extra costs he incurred. Given LV wouldn't change its stance Mr B brought his complaint to us. The investigator was of the view that Mr B's complaint should be upheld. She recommended LV should pay the costs of only Mr B's travel to the Lake District to collect his wife's car in the sum of £128.55. The taxi fares to and from the station of £27.00 plus £100 fuel costs of getting the car back from the Lake District with 8% simple interest being added to these costs. She was of the view that the £300.00 compensation was fair.

Mr B didn't agree so his complaint was passed to me to decide. Whilst LV didn't say it agreed with the investigator, it asked for evidence of the further costs Mr B claimed. It also noted that Mr B never told it anything about going to the Lake District to collect the other car.

I issued a provisional decision on 30 January 2024, and I said the following:

*'Having done so, I'm upholding this complaint for further reasons than that of the investigator with some additions. I'll now explain why.*

*I appreciate and understand that Mr B might well be still very disappointed with my decision. To confirm I've reviewed everything that he sent in to both the investigator and to me along with the entirety of the file sent in by LV and looked at the matter afresh from the beginning. I appreciate and can see that he was very disappointed with the investigator's view too. I can see Mr B was very upset at the delays in getting his car repaired and the trouble and upset that then caused him. And that he feels very strongly that LV hasn't compensated him enough for this. He believes firmly that LV should pay him £1,600 in total for both his compensation and his varying costs during the delay in getting his car repaired.*

*Mr B renewed his policy with LV on 23 February 2023. He chose not to have enhanced car hire, guaranteed car hire, or breakdown cover. This additional cover to his policy would almost always have increased the premium payable. LV has confirmed there is no courtesy car included with its policy when the car might be repaired by an approved repairer. To have the benefit of any courtesy car at all in that regard, the consumer must add that cover to the policy provisions.*

*There's no dispute LV didn't handle things as efficiently as it should have. First and foremost, it was disappointing the two approved repairers it originally appointed didn't appear capable of repairing electric cars. And that meant Mr B effectively had to source his own repairer. Obviously in that case it would have been unreasonable for Mr B to pay any required additional excess for not using an approved repairer so I'm glad to see LV waived this.*

*Once a repairing garage had been identified as sourced by Mr B, there were sadly further delays in authorising the repairs. This was primarily LV's fault as it seemed to be confused, initially thinking Mr B's car had been stolen and recovered, whereas in fact Mr B's car was merely damaged from driving through this ford with more water in it than expected.*

*Although the incident which caused Mr B's claim happened on Friday 31 March 2023, Mr B only lodged his claim on Thursday 5 April 2023 as he went to the garage who sold him the car to see if they could fix it. Sadly, they couldn't. Sourcing the garage, the delay of which had nothing to do with Mr B, happened by Monday 10 April 2023 when Mr B delivered his car to the garage to be repaired. It was clear the repairer sent the estimate for repairs to LV on Wednesday 12 April. There was a significant delay in LV's authorising repairs until Tuesday 9 May, with the garage confirming the car was repaired and ready to be picked up on Monday 15 May. Mr B was abroad on holiday from Saturday 6 May returning on Friday 19 May when he then picked his car up repaired.*

*I do consider that a repair of a car from 10 April to 15 May is somewhat excessive given the repairer Mr B sourced himself had prepared the estimate for LV by 12 April. The repair once authorised on 9 May was completed and ready for Mr B's collection on 15 May (albeit that Mr B was on holiday then). So, the actual repair didn't take that long at all. There was a delay of nearly a month just waiting for LV to authorise the repairs which was unreasonable in my view.*

*Mr B has claimed the costs of train and onward taxi fares to go from his home to the Lake District both him and his wife, where his wife keeps a car. He said he did this, given the excessive delay in getting his car repaired. He has shown us that he and his wife went to the Lake District on 17 April 2023 and drove his wife's car back to his home on 18 April 2023. They returned the car to the Lake District on or before 14 July 2023 as he has claimed the costs of returning to his home by train on 14 July 2023. During Mr B's correspondence with LV, he did explain in his letters to the CEO that he had incurred these Lake District costs. So, I don't think LV's contention that he failed to tell it about getting his wife's car from the Lake District before bringing his complaint to us is correct.*

*The train fare costs Mr B claimed is a total of £257.10. Taxis to and from the station is a total of £27.00. Given the distance from where Mr B resided and the Lake District, I don't consider it was unreasonable that both Mr B and his wife made this journey together in order to share the drive back home effectively. It's a very long drive and Mr B is in his 70's so I consider it was prudent he shared the driving back and forth to the Lake District with his wife.*

*I appreciate and understand LV's point that although Mr B did tell LV he wished for it to pay him £1,600 he didn't detail how these costs came about. However, I think Mr B reasonably mitigated his loss and inconvenience here by getting his wife's car, negating a considerable loss of use which could have been avoided if LV hadn't delayed quite so much in approving the repairs to his car. Therefore, I consider it's reasonable LV reimburses the total train fares claimed of £257.10 for both Mr B and his wife plus £27 taxi fares.*

*LV did provide a discount code for a car hire company for Mr B to use. However, Mr B said this would have still cost him a considerable amount of money which he would then be asking LV to refund given its delay in authorising the repairs to his car. Mr B also claimed the costs of driving his wife's car from the Lake District back to his home, and then delivering it back again in the sum of £263.12. Mr B said he based this figure on what HMRC allow to be claimed against tax for using a car for business purposes. However, I don't consider that's relevant here. That is because as the investigator noted those allowances also includes tax and insurance which Mr B or his wife was already paying for the car whilst it was garaged in the Lake District, so there is no reason for LV to reimburse any part of those costs. I consider a straight mileage figure as reimbursement is more reasonable. I can see the investigator used the relevant information of his wife's car to calculate the actual fuel costs which is also a fluctuating price per litre depending on where the fuel was bought. Taking all this into account I consider the rounded-up figure of £100 for fuel costs of using his wife's car in a coherent offer to mitigate his loss of use of a car, is both fair and reasonable.*

*Mr B claimed a taxi fare of £60 for a taxi home from the repairing garage after he dropped it off for repair. I do consider this a reasonable expense for LV to reimburse Mr B, bearing in mind LV's initial two approved repairers didn't want or couldn't repair Mr B's car. From what I can see it's very possible this repairer was further away from Mr B's home than either of the two approved repairers. However, I don't consider LV should refund the cost of the taxis to and from the airport for Mr B's holiday. He was obviously either going to take a taxi for that originally or park his own car at the airport. Since he was then using his wife's car the same would apply. So, I don't consider there's any duty on LV to reimburse this taxi fare.*

*Therefore, I'm intending LV should repay Mr B a total of £444.10 plus interest of extra costs he incurred in ensuring he mitigated his loss of use of his car given LV's delays.*

*LV acknowledged its handling of Mr B's claim was below the standard it should have afforded him. It ultimately paid Mr B £300 compensation for the trouble and upset it caused him given this lack of service. Mr B believes this is insufficient for all the trouble and upset LV caused him to include his time getting his car from the Lake District and the numerous and excessive number of calls he had to make to LV to get the repair of his car concluded. Mr B detailed all this on a timeline.*

*Mr B believed his excess of £600 should also be refunded. I'm afraid it's clearly written in the policy terms that on the basis any claim is accepted by LV the excess is payable. Obviously here, no other party caused this accident to occur given no other party was involved in the incident, therefore the excess for this claim was always going to be payable by Mr B. I don't consider it's appropriate given the claim was paid that the contractual duty to pay an excess in the event of a claim is ever refundable in this way by means of further compensation.*

*Compensation in this way beyond any actual costs incurred is to compensate for the trouble and upset caused by LV to Mr B. It's not to punish or fine LV for its delays, but merely to compensate Mr B. I've got no authority whatsoever to punish or fine LV in this sort of situation. Mr B also read our published guidance on compensation, and he felt his circumstances didn't fit the bracket of around £300 compensation. However, with any claim, there will be an element of inconvenience and phone calls to be made. It's a fuss and a bother when a claim on a policy needs to be made, more so if no one else was involved in the incident, but no compensation is ever awarded for that.*

*LV admitted it did cause delays, which in turn ensured Mr B had to chase LV which is of course frustrating if not exasperating. Mr B suffered an unnecessary delay of about a month. As he will have seen on our website, some consumers might have suffered five months of such delay but were also awarded £300 as compensation. I consider the £300 LV decided to award Mr B as compensation to be at the top end of anything I would have awarded had LV not done so. Therefore, I do consider it's commensurate and in keeping with the extensive calls he had to make.*

*Consequently, I'm not intending to ask LV to pay Mr B any further compensation.'*

LV said it didn't have anything further to add.

Mr B replied at some considerable length which I shall try and summarise here. He said that because he mitigated his loss and therefore the losses which LV would ultimately refund him, that in effect should increase the amount of his compensation given the aggravation involved.

He also explained that whilst he caused the damage to his car by driving through a ford, he did so in the middle of an extensive downpour which caused the flood which damaged his car.

He maintains that given LV's system of claim dealing he never talked to the same person twice so effectively no one in LV owned his claim.

He remains perplexed that LV felt it reasonable to offer first £100 compensation and then a further £200 compensation and he wants to know why. He also wants to know what LV ever did to mitigate his stress and loss and dealing with his claim.

He has recalculated his petrol consumption in line with the actual data on the car's computer at £125.96. He also recalculated the HMRC figure and that comes out at £205.92.

He also said he's not making this claim to punish LV, but it remains in his view that LV did nothing to mitigate his stress and loss. And that he would like LV to apologise.

### **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 am upholding this complaint along the lines of what I stated in my provisional decision. Again, I appreciate and understand Mr B might well remain disappointed too.

However, the law requires every claimant to mitigate their loss. In other words, the law doesn't permit claimants to enhance their claim or indeed think that in doing so will then ensure the respondent might have to pay more. Mr B did mitigate his loss by getting his wife's car, but it is very unusual that that car was kept in a place so far away from his home. LV's policy also does permit the add on of a guaranteed hire car in the event the insured car is damaged of which Mr B choose not to avail of.

This service is a dispute resolution service so I must take into account the relevant issues of both parties and take a balanced view. Taking all of the above into account, I remain of the view that it's fair and reasonable that LV refund the cost of the train fares and taxi fares for Mr B and his wife to travel to get his wife's car. I also consider it's fair and reasonable that some fuel allowance is provided by LV, and I remain of the view that £100 is sufficient here. I have no authority to make any decision or make any comment on how LV organises itself as to its claim handlers or whether any individual claims handler should 'own' any claim as Mr B has suggested. Nor indeed have I authority to comment on any other business systems LV might use. That is outside my remit altogether and that is a commercial matter for LV itself.

As I don't work for LV, I also can't comment on why it made an offer of £100 and then another £200 either. My role is to assess whether the ultimate offer of compensation was reasonable. I remain of the view that £300 is fair and reasonable given the delay of a month in LV approving the repairer's estimate. It's in line with our approach which is carefully considered, and it is applicable in all complaints that we deal with.

The reason I mentioned that there was no other party involved in this incident was solely because if there was, then Mr B would receive a refund of his excess being an uninsured loss which the liable party refunds. Given there was no other person involved in damaging his car, that excess would always remain payable under the contract of insurance and the duties conferred on the parties by a motor policy. There is no indication here that any payment of the excess in the event the insurer has paid the costs of repairing the damage should be refunded to Mr B. That's not how the law on insurance contracts operates.

## **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 do the following:

- Pay Mr B a total of £444.10 for the train fares, taxi fares and fuel costs as fully detailed above which Mr B incurred as a result of the delays caused by LV.
- Interest of 8% simple per year should be added from the date Mr B incurred these costs to the date LV refunds him.
- If income tax is to be deducted from the interest, appropriate documentation should be provided to Mr B for HMRC purposes.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 March 2024.

Rona Doyle  
**Ombudsman**