

The complaint

Mr M has complained about his motor insurer Liverpool Victoria Insurance Company Limited (LV) regarding its handling of his claim made after an accident in May 2023.

What happened

Mr M initially contacted his broker about the claim. He was unhappy about how that matter, being dealt with as a third-party claim outside of the insurance policy had progressed, and made a complaint. He subsequently dealt with LV to handle the claim via his policy.

Initially Mr M was satisfied the claim was going to be swiftly resolved. He was told the repairs would only take a week at most – and he was happy to go away for a few days rather than have LV provide him with a replacement car. But when he came back, the garage said the repairs would take another week. And over the next few weeks that pattern of delay continued. Mr M finally got his car back at the end of June 2023.

Mr M had asked the garage to carry out some extra work on the car. He was given to believe the cost would be around £500. When the garage called him to release his car, it said that cost had increased to £1,100. The garage had also completed an MOT for Mr M whilst it had his car, as the existing one had expired. It did work costing £155.64 to get the car to pass the MOT, so charged Mr M for that. And, when Mr M found a problem with the car's battery, the garage replaced that at a cost of £165.01.

LV subsequently accepted that the battery had likely failed due to the car being stood waiting for repairs. So it said it would reimburse that sum to Mr M. But Mr M still felt he was out of pocket regarding the other costs and that he'd suffered distress and inconvenience because of the delays. He felt the least LV could do would be to cover the cost of the extra work he'd had done and pay him something to reflect what it would have had to pay if he had not gone on holiday (avoiding the need for a replacement car). Mr M complained to the Financial Ombudsman Service.

Our Investigator felt that LV had failed Mr M in handling his claim. She felt LV should make a number of payments to put things right (all plus interest):

- £165.01 for the battery
- £155.64 for the MOT work (not including the cost of the MOT itself).
- £120 for taxi's used during three days when Mr M came back from holiday before LV provided alternative transport for him.
- £300 compensation.

She explained though that she did not think that LV was liable for the extra work, at a cost of £1,100. And she didn't think it had to pay him anything for the period he was on holiday.

LV agreed with everything. Mr M said he accepted all points, with the exception of LV not being made to pay anything for the period he was on holiday. He felt it should pay him at least £270 in this respect – noting his outlay to go on holiday had saved it money.

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 minded to find as our Investigator did. I think LV failed Mr M in this relatively simple repair situation, causing him to incur costs and suffer distress and inconvenience. I understand this was all particularly difficult for Mr M as he was not well. That said, as both parties have accepted the findings and remedies set out by our Investigator – I don't intend to labour the issues of LV's failure and its consequences too much. I'll just add a few short paragraphs here to confirm my findings before looking at the remaining point in dispute.

Mr M's car was stood for longer than it should have been waiting for repair. The battery issue arose soon after – I'm satisfied the two are most likely linked and it's fair for LV to pay for the cost of replacing the battery.

The car suffered damage in the area of the repair needed for the car to pass the MOT. LV didn't have an engineer check the car or even have the garage comment on it before the repair was done. I'm satisfied the repair was likely linked to the accident and it's fair for LV to cover the cost under the claim.

When Mr M came home the repair of his car was delayed. It was three days until he was given alternative transport by LV. I'm satisfied that it's fair that LV pays Mr M his extra costs incurred, which both parties accept amounted to £120.

Mr M was constantly told that his car would be ready in a "week". I know he had some issues with the replacement car during this time and he was worried about his car. I know he was chasing its return every week. I'm satisfied that £300 is fair and reasonable in all of the circumstances here.

I know Mr M accepts the findings regarding the extra work the garage did for him. I'll just confirm here that, as our Investigator explained, any issue with that work, including the cost for it changing, is an issue between Mr M and the garage.

The only point in dispute, as I've said, was regarding Mr M going on holiday (thereby giving LV a saving). I know Mr M would like LV to make some payment to reflect the period he went on holiday. I can understand that Mr M is frustrated about this – he went away rather than insisting on having a replacement car at that time because he believed his car would be ready when he returned. And it wasn't. But Mr M chose to go away, and whilst he was away, he wasn't suffering any distress or inconvenience on account of LV's failures. So the cost Mr M had in going away was incurred at his choice. And the upset he was caused upon his return, along with subsequent costs he incurred, all on account of LV's failures, has been taken care of by my above awards. So I'm not persuaded it would be fair to make LV pay anything for the period of the holiday, even though Mr M's actions arguably mitigate the claim outlay.

I'd add, the awards I've made, and which this service generally makes, are compensatory in nature. They are designed to place the policyholder back into the position, as closely as possible, they would have been in but for the business's failures. Undoubtedly Mr M's choice to go on holiday saved LV money – but it doesn't then have to pay him what was saved because it subsequently failed him. Not where he hasn't lost anything or suffered on account of those failures during the period in question. Making a business pay in that instance would be more akin to a punitive award than compensatory.

Putting things right

I require LV to pay Mr M:

- £165.01, for the battery, plus interest* applied from the date of payment until settlement is made.
- £155.94, for the MOT work, plus interest*, applied from the date of payment until settlement is made.
- £120 for taxi costs, being £40 a day, plus interest* applied on each sum of £40 from 29 May, 30 May and 31 May 2023 respectively and until settlement is made.
- £300 compensation.

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require LV to take off tax from this interest. If asked, it must give Mr M a certificate showing how much tax it's taken off.

My final decision

I uphold this complaint. I require Liverpool Victoria Insurance Company Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 April 2024.

Fiona Robinson
Ombudsman