

The complaint

Mrs M complains about how her insurer, Liverpool Victoria Insurance Company Limited (LV) handled a claim under her motor insurance policy for the theft of her vehicle.

Any reference to LV in this decision includes their agents.

What happened

In August 2022 Mrs M contacted LV to report the theft of her vehicle. She found LV's handling of the claim stressful and disrespectful, saying she had been badly treated in calls to LV reporting the theft and subsequently. Mrs M also reported the theft to the police and their report indicated there may have been CCTV footage of the theft, but it was subsequently established there wasn't.

LV settled the claim in October 2022. Unhappy at how she felt treated by LV, Mrs M complained by email the same month. LV tried to call Mrs M but weren't able to talk to her and didn't respond further to the complaint.

Mrs M's vehicle was subsequently recovered, in December 2023, which Mrs M reported to LV. She didn't get a response, so in February 2024 she repeated the complaint she'd previously made, saying she'd suffered distress, psychological damage and felt disrespected and discriminated against.

LV didn't uphold the complaint. In their final response in April 2024, they said they'd listened to the calls Mrs M was unhappy about, including her initial call to report the theft and a follow up call from LV the following day. LV said they asked standard questions to establish the circumstances of the theft, part of their procedures when a loss was first notified. The second call was to obtain further information about Mrs M reporting the theft to the police and clarify the circumstances of the theft. LV didn't think the call handler accused Mrs M or blamed her for the theft of her vehicle.

LV also said they'd reviewed their handling of the claim. They had to ask Mrs M several times about CCTV footage of the theft and Mrs M hadn't responded when asked for a copy of the footage sent to the police. LV said it was a condition of the policy they were provided access to any dashcam footage to help them handle a claim. LV hadn't received the footage, though they settled the claim without it. LV said they'd offered £50 as a goodwill payment, which Mrs M had declined. But they said they would honour the offer and pay the sum.

Mrs M then complained to this Service. She said when she first reported the theft she felt the call handler was accusatory towards her, threatening to call the police. And when she called LV subsequently to ask about progress with her claim she was told they were still waiting for the police report. And in another call she again felt badly treated by the call handler. **She wanted LV to compensate her for the way she had been treated during the claim, which she found disrespectful, stressful and discriminatory.**

Our investigator upheld the complaint, concluding LV hadn't acted fairly. Having listened to the relevant calls and considered the information and evidence provided, he thought there

were several minor service issues which increased Mrs M's distress. LV accepted they didn't log Mrs M's initial complaint, which was poor service. And LV hadn't responded to Mrs M when she said her vehicle had been recovered. **Taking all these points together, he thought Mrs M felt unheard and distressed and felt discriminated against.** He thought LV should pay a further £250 compensation, in addition to the £50 they had paid her.

LV disagreed with the investigator's view and requested that an Ombudsman review the complaint. They said Mrs M's complaint to them was about the calls at the time the theft took place. LV maintained they hadn't threatened Mrs M or shown her disrespect. Mrs M's account of the theft changed following the initial call, when she said she'd probably left the key in the vehicle. But she later said she hadn't left the key in the vehicle. This change was why LV thought it necessary to obtain the police report, to establish what Mrs M had told the police. LV thought their award of £50 was fair.

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.

My role here is to decide whether LV have acted fairly towards Mrs M.

The key issue in Mrs M's complaint is how she feels she was treated by LV when reporting the theft of her vehicle and subsequently, including when she told them about the vehicle being recovered. She felt LV were accusatory towards her and disrespectful. She also felt ignored and discriminated against. LV accept some aspects of their handling of the claim and contact with Mrs M could have been better but think their award of £50 compensation is fair.

In looking at the issues, I've also considered whether – as Mrs M believes – she may have been discriminated against by LV in the way she felt treated.

I've looked at the sequence of events in this case from Mrs M first notifying LV of the theft of her vehicle in August 2022. LV's claim notes and emails from that time indicate they asked Mrs M about the circumstances of the theft, where her vehicle was stolen from her driveway after she had parked and gone into her property. As a theft claim, I'd expect LV to want to know the circumstances of the theft and how it occurred.

The notes of the first call indicate LV were aware of Mrs M's anxiety at the theft of her vehicle and worried at what happened. The notes also record English wasn't Mrs M's first language. One aspect of the call was what happened to the car key, with Mrs M initially indicating it may have been left in the car when she went into her house. The notes indicate LV will contact Mrs M the following day to follow up on the claim and obtain any further information. In the circumstances, given the possibility the key may have been left in the vehicle – which is a policy exclusion in most, if not all motor insurance policies - it was reasonable for LV to want to clarify this point.

With respect to the follow up call the following day, the LV call handler follows up about the key and where it was, to which Mrs M says she doesn't know. Mrs M says she is very stressed and anxious, at which point the call ends. This was due to the call handler having IT issues, which disconnected the call.

A second call the same day, with the same claim handler, picks up the questions LV wanted to ask or clarify about what happened. It includes the call handler asking if Mrs M is happy for them to contact the police, to see what she told them compared to what she's told LV. Mrs M is hesitant, but the call handler persists. They take a pause to record information. The call handler then clarifies the claim process, including valuation and the policy excess. The call

handler does tell Mrs M to tell them if the vehicle is recovered, given the storage charges. The call handler reads out a standard wording about Mrs M giving accurate and complete information. Mrs M says she understands. The call handler reiterates the need to speak to the police, to which Mrs M says she is content. The call handler then discusses the No Claims Discount (NCD) position and the impact of making a claim (the premiums will increase due to the claim). The call handler also asks about any personal possessions in the vehicle when stolen and confirms the policy cover doesn't include a hire vehicle.

From the calls, I can understand why LV asked in some detail about the circumstances of the theft, given the uncertainty about the vehicle key (Mrs M confirms only one key was supplied when she bought the vehicle, privately). And I would expect LV to have asked about the circumstances of the theft, including asking Mrs M for consent to them contacting the police to check what they have recorded.

While both calls are business like, at times Mrs M doesn't fully understand what she is being asked and why. The call handler does seek to clarify these points, but given what Mrs M says about the stress of the situation, I think the call handler could have done more to reassure her the questions were a normal part of the claims process and to be more empathetic towards Mrs M.

Thereafter there are various contacts between Mrs M and LV, including LV asking her consent to obtain the police report and LV requesting the report. Given the circumstances of the theft and what Mrs M said in the initial calls, I don't think it unreasonable for LV to want to see the police report.

The other call Mrs M specifically mentions is in October 2022. The claim notes record LV asking for copies of CCTV footage mentioned in the police report. There's also some discussion about how Mrs M can obtain a copy of the report, LV saying she would have to request it from the police. There's some disagreement over how Mrs M can obtain a copy, with her saying she was told she would receive a copy. The notes record Mrs M becoming agitated and ending the call.

As well as the claim notes, I've listened to the call. The LV call handler asks Mrs M about the CCTV referred to in the police report and whether she has a copy. Mrs M doesn't directly respond, asking about getting a copy of the police report. The call handler initially ignores Mrs M's question and asks again about the CCTV footage. There follows an exchange in which the call handler says Mrs M would have to request a copy of the report from the police as LV can't provide it directly to Mrs M. The discussion goes over the same issue at some length, with Mrs M becoming quite agitated. The call handler reiterates the point about requesting a copy of the report from the police and is quite strident in tone. While I accept the call handler was trying to make the position clear, and Mrs M talks over her at points, I can understand why Mrs M felt she wasn't being fully understood.

LV validated the claim shortly afterwards, following confirmation from the police that CCTV footage showed nothing relevant or evidential regarding the vehicle or how it was stolen. LV settled the claim as a total loss (£2,100 net of the policy excess of £350).

The claim notes also indicate LV trying to contact Mrs M but being unable to get hold of her, which I take to include discussion of her complaint she made in October 2022. But there's no indication of any follow up to the complaint after that. Complaints handling isn't a regulated activity that falls within the remit of this Service unless it is relevant to the substance of a consumer complaint. In this case, I think it would have added to the frustration of Mrs M evidence from the claim process and the specific calls she referred to in her complaint to LV.

Thereafter, the next substantive contact is in December 2023, when Mrs M's stolen vehicle was recovered. LV were informed by the recovery agent and by email from Mrs M. But there's no indication LV replied to the email or otherwise tried to contact her. Following her submitting her complaint (again) in February 2024, LV tried to contact Mrs M, unsuccessfully. Mrs M calls back to explain how she felt she was treated during the claims process, with a lack of respect throughout.

I've also noted Mrs M was told in one of the calls in August 2022 that should her vehicle be recovered, she should tell them, and LV would cover any storage charges. So, I think Mrs M was acting reasonably and in line with LV's request of her. LV say they were already aware of the vehicle being recovered by the recovery agent, but that doesn't, in my view, mean they didn't need to respond to Mrs M, if only to acknowledge her email and confirm they were aware of the vehicle's recovery. Again, not responding to Mrs M would I think have added to her frustration and sense of LV not supporting her and her not being heard or listened to.

I've also considered Mrs M's point she may have been discriminated against by LV in how she was treated during the claim and thereafter. I can understand why Mrs M felt she hadn't been treated with respect, empathy and compassion for the stressful position she'd been put in by the theft of her vehicle. It isn't for this Service to make a finding that LV have been discriminatory towards Mrs M under the Equality Act 2010 (only a court can decide whether there has been a breach of the Act). But I have taken the Act into account in my decision as it's relevant law.

This Service can look at whether LV have treated Mrs M fairly when dealing with her during the claim process and thereafter. Given my conclusions above, while I accept LV were following the procedures I'd expect when assessing and validating a claim for the theft of a vehicle, they haven't treated Mrs M fairly in several respects. I also recognise why Mrs M felt discriminated against and I don't think LV fully grasped how their actions made Mrs M feel. I'll consider this when setting out what I think LV should do to put things right.

LV have awarded Mrs M £50 compensation for the service shortcomings they accept as set out in their final response. But looking at the circumstances of the case and what happened,, including their initial lack of response to Mrs M's complaint in October 2022 and their lack of response to her telling them about her vehicle being recovered in December 2023, I think this isn't sufficient. I've concluded the combination of factors set out above would have caused distress and inconvenience to Mrs M, both initially in the handling of the claim (particularly the call in October 2022) and thereafter. Considering this in the context of the published guidelines on distress and inconvenience from this Service, I've concluded LV should pay a further £250 compensation, making a total of £300.

My final decision

For the reasons set out above, my final decision is that I uphold Mrs M's complaint. I require Liverpool Victoria Insurance Company Limited to:

- Pay Mrs M a further £250 compensation for distress and inconvenience, in addition to the £50 they've already paid (making a total of £300).

Liverpool Victoria Insurance Company Limited must pay the compensation within 28 days of the date we tell them Mrs M accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 17 January 2025.

Paul King
Ombudsman