

## The complaint

Mr and Mrs N complain that Liverpool Victoria Insurance Company Limited (“LV”) have unfairly recorded information about an incident to their home.

## What happened

The background of this complaint is well known to all parties and has previously been comprehensively detailed by our investigator. So, I’ve summarised events.

- Mr and Mrs N hold their home insurance with LV.
- In October 2020 Mr and Mrs N reported a crack to the wall of their property to LV. It carried out investigations, as did a structural engineer appointed by Mr and Mrs N.
- In November 2020 LV sent its renewal documents. Mr and Mrs N noticed the premium had increased and that the incident was recorded as a subsidence claim. They raised this with LV as they didn’t feel it was accurate.
- Shortly after, LV received confirmation from its loss adjuster the property wasn’t suffering from subsidence. So, it said it closed the claim as “*notification only*” and recalculated the premium for the year (refunding the additional cost).
- Mr and Mrs N remained unhappy as they said it should’ve never been recorded at all.
- One of our investigators looked into what happened. She agreed Mr and Mrs N had initially said they hadn’t intended to claim on the policy. But following a discussion on the phone she said Mr and Mrs N agreed to speak to a claims handler and talked through details of when an excess would be payable as well as agreeing to a visit from an LV loss adjuster.
- So, the investigator said it was reasonable for LV to log this incident as a claim initially. And its actions following this to recalculate premiums once it was established there was no subsidence and record it as an incident only was fair.
- Mr and Mrs N disagreed. They said:
  - They had been clear throughout conversations with LV that they didn’t intend on making a claim;
  - LV’s loss adjuster had agreed with Mr and Mrs N’s structural engineer from the outset that there was no subsidence;
  - The insurance industry’s actions recording claims and incidents would likely deter policyholders from notification.
- Our investigator looked again, but she didn’t change her mind. She said LV’s actions to instruct a loss adjuster were with the intention of establishing whether an insured event took place – which is what it did.

## 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 not upholding this complaint. I'll explain why.

- Claims and Underwriting Exchange (CUE) is a shared database record of insurance claims and incidents. This is used by LV and the majority of insurers across the industry. These insurers have an obligation to maintain accurate records on CUE.
- I've reviewed all of the evidence available and I agree with our investigator that the actions LV were taking, and agreed by Mr and Mrs N, suggested a claim may take place. So, I'm satisfied LV wasn't acting unfairly by reporting this as an open claim initially while it established whether or not a claim would go ahead.
- Following LV's investigation, it refunded the additional premiums and changed the incident to "notification only" on CUE. These are steps I'd have expected LV to take as no claim proceeded.
- Mr and Mrs N have raised concerns about the potential future impact of this incident being reported as "notification only". It will be for an insurer to determine whether this impacts its premium calculations. But as I'm satisfied LV has reported this accurately and in line with its own obligations, I wouldn't expect it to amend the record or do anything further.
- I understand Mr and Mrs N disagree with this industry practice, but this hasn't changed my mind.

### **My final decision**

For the above reasons, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N and Mrs N to accept or reject my decision before 3 November 2021.

Jack Baldry  
**Ombudsman**