

## **The complaint**

Mr and Mrs N complain that Liverpool Victoria Insurance Company Limited (LV) failed to deal adequately with their claim for water damage to their property under their home insurance.

## **What happened**

Mr and Mrs N are vulnerable, both being elderly. And I understand that Mr N has a disability affecting his movement. On 31 December 2022, Mr N accidentally put his hand through a stud wall in his bathroom. He discovered from this that there was water damage to the ground floor ceilings and walls of the bathroom, kitchen and under stairs cupboard. He made a claim to LV who instructed contractors, S, to go out to Mr and Mrs N's property and carry out leak detection, which they did on 17 January 2022. They said that the damage was likely to be from rainwater coming in from an area of the roof where the soil stack chimney entered the cavity wall. They also said the flat roof was in disrepair, although they didn't think rainwater was getting in there. LV declined the claim on this basis as Mr and Mrs N didn't have full accidental damage cover on their policy.

Mr and Mrs N accepted that the roof repairs had to be done and instructed a firm of roofers and builders, B, to carry out the necessary repairs. B found a leak in a pipe in the core of the house that they said had been causing considerable damage for some time. Mr N provided a letter to that effect from B to LV so it could reopen the claim. However LV maintained its position. It said that the damage was likely due to the flat roof being in poor condition (this wasn't quite accurate – as I've noted above the flat roof was in disrepair although the water wasn't said to be coming in there.). It said it had spoken to S who advised that there may have been a leak in the area suggested, however the surveyor was clear that had the leak been occurring at the time he attended he would have noticed and there would likely have been severe damage to the kitchen.

Mr and Mrs N complained to the Financial Ombudsman Service in April 2022 and at the same time provided a further more detailed note of the repair to the pipe from B to LV, but it maintained its decline of the claim. Although it was prepared to open a new claim, it said that it had referred the matter back to S who had said the area of concern was the flat roof only and that they were unable to comment on the pipe as they had been provided with no evidence, only a handwritten plumbers note.

I understand that Mr and Mrs N have now received a payment of £12,000 in respect of the water damage, although I believe LV has still treated this as a new claim.

Our investigator said that LV should have investigated the damage caused by the leaking pipe as part of the original claim. She said it should treat the claim as one claim rather than two separate ones, and review its findings. She said that especially considering Mr N's health and vulnerability LV should have given the claim greater priority. She said it should pay Mr and Mrs N £250 compensation.

LV didn't agree and the matter has been passed to me for further consideration.

## 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.

### *cause of damage*

S has produced a full and detailed expert leak detection report, with photos. It concluded that the water damage to the property was caused by the damaged roof. I think that was, at the time, a reasonable conclusion to make. And I think LV came to a reasonable conclusion, namely that the claim could be declined as there was no cover for it under Mr and Mrs N's policy.

But when Mr and Mrs N had their roof repaired their builders noticed a leak on the main water supply coming into the house which *"had been leaking for a considerable length of time"*. They went on to say that *"This has caused considerable damage to the internal structure."*

In my view LV should, on receipt of that letter from B, have sent S out to inspect the leak. Instead it said that S had told it that *"had the leak been occurring at the time [their surveyor] attended he would have noticed and there would likely be severe damage to the kitchen."*

From S's report the areas of damage were *"significant anomalies on the ground floor bathroom ceiling and on the adjacent walls in the staircase."* And it *"carried out an endoscope inspection of the wall void between the ground floor bathroom and the kitchen"* and *"did observe saturation affecting the Rockwall insulation inside the wall."* So it would appear that S noted water damage to ground floor areas, rather than nearer the roof.

S also carried out a chemical analysis of the water in the insulation. In its later explanation to LV it said that because there were no chlorides present in the sample, this would indicate it was rainwater. However in its original report it said the tests were inconclusive and it was *"possible that the moisture present is from an ongoing issue which is causing continual saturation which is preventing chloride/nitrate salt crystals from forming."*

This isn't a case of preferring a builder's opinion over a leak specialist's report. I think there was sufficient doubt raised by the leak specialist particularly about the saturation of the insulation to indicate that the discovery of the leak should have been taken seriously. Whilst I note that Mr N had the leak repaired, I think that was a reasonable step to take. S's surveyor's contention that this was a recent leak could have been tested had LV sent the surveyor back to check on the damaged areas around the leak.

So I agree with the investigator that this should have been treated as one claim. Mr N reported it as an escape of water and I think it was likely, given the areas of damage, that this came from the leak. I note that things have moved on since our investigator's view so I don't know if any areas of damage could be traced to the roof.

If LV had acted on the new report, the matter could have been resolved several months earlier. Taking into account Mr and Mrs N's personal situation I think that the delay caused them a fair degree of stress and inconvenience. I think an award of £250 compensation is fair and reasonable.

In respect of the roof, I understand that Mr and Mrs N have had major repairs carried out, presumably because S's report identified that they were needed. Given that the flat roof appeared to be in significant need of repair and the area around the soil stack made the property vulnerable to rainwater coming in, I think it was reasonable to carry out the repair.

And as policyholders Mr and Mrs N had an obligation to maintain their property and keep it in a reasonable state of repair. So I won't require LV to pay for the repairs to the roof..

Going forward I don't think I need to ask LV to reconsider the claim as it's apparent that it has already done so. It should also add 8% interest to any pay-out it makes (or has made) concerning this claim dating back to when Mr and Mrs N incurred the cost until the date it reimburses them. If Mr and Mrs N are unhappy with the pay-out they have received they will need to make a further complaint to LV about it.

### **Putting things right**

I think LV should set up this matter as one claim rather than two separate claims. It should alter its records accordingly and notify Mr and Mrs N when this has been done.

It should pay interest\* to Mr and Mrs N of 8% on any pay-out it makes (or has made) relating to the claim, from the date they incurred any such costs until reimbursement.

It should pay Mr and Mrs N £250 compensation.

\*HM Revenue & Customs requires LV to deduct tax from any award of interest. It must give Mr and Mrs N a certificate showing how much tax has been taken off if they ask for one.

### **My final decision**

I uphold the complaint and require Liverpool Victoria Insurance Company Limited to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs N to accept or reject my decision before 28 February 2023.

Ray Lawley  
**Ombudsman**