

## **The complaint**

Mr M has complained about Liverpool Victoria Insurance Company Limited (LV). He isn't happy about the way it dealt with a claim under his buildings insurance policy.

For ease of reading any reference to LV includes the actions of its agents which it is responsible for.

## **What happened**

Mr M made a claim under his building insurance policy after a flood at his home address in the basement. LV initially turned down the claim before agreeing to cash settle the claim.

Mr M complained to LV and then this Service as he didn't think that LV's offer covered all the damage caused by the water ingress as the floor was still damp. And he didn't think its offer of compensation (£250) covered all the stress and inconvenience his family faced in dealing with the delay in finalising the claim.

When our Investigator looked into things for Mr M she upheld the complaint. She thought LV should revisit Mr M's property and reconsider the ongoing damp issue. And it should establish if the problem is ongoing and provide an effective and lasting repair, even if this amounted to betterment. LV had offered to waive part of Mr M's excess in acknowledgment of some of the delay it caused and the way it dealt with Mr M's claim. But our Investigator thought that LV should offer a further £150 compensation, especially as the prolonged period of dampness affected his family's health.

LV agreed to get its agent to revisit Mr M's property and re-evaluate the claim and remaining damage subject to Mr M providing documentation from the time he purchased the property two or three years before in order to ensure the problem wasn't pre-existing. And it didn't think the compensation level should be increased.

As LV didn't agree the matter has been passed to me for review.

## **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 think that the complaint should be upheld. I'll explain why.

LV has agreed the fair and reasonable thing to do is for it to instruct its agent to re-attend the property and test whether the concrete floor slab is still damp and undertake any further mitigation work deemed necessary. So I don't propose to go over this point in detail now. However, Mr M has explained that he actually bought the property in 2007 and that he doesn't have any pre-purchase surveys given the passage of time. And he states that in the 15 years he has owned the property there has never been a problem with damp or water ingress in the basement until this incident happened. So, I don't think there is any suggestion

the problem was pre-existing, and I wouldn't expect Mr M to have documentation given the sale took place in 2007.

Given this I think the fair and reasonable thing to do, in the particular circumstances of this case, is for LV to instruct its agent to re-attend Mr M's property and produce a further report in relation to the ongoing damp issue and look to provide an effective and lasting repair to the problem.

Turning to the compensation level I agree a further £150 compensation feels fair in the circumstances. Mr M and his family clearly faced a lot of stress and inconvenience here and the damp has affected the health of his family. It is unfortunate that a claim like this was always going to have an adverse effect on the family which LV isn't responsible for but its failure to look into the ongoing damp issue has clearly had an impact. So I agree a further £150 compensation (£400 total) feels fair.

### **My final decision**

It follows, for the reasons given above, that I uphold this complaint. I require Liverpool Victoria Insurance Company Limited to instruct its agent to re-attend Mr M's property and produce a further report in relation to the ongoing damp issue and look to provide an effective and lasting repair to the problem. And to pay a further £150 compensation (£400 total).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 April 2023.

Colin Keegan  
**Ombudsman**