

The complaint

Mr B and Mrs B complain about Liverpool Victoria Insurance Company Limited's ("LV") handling of their claim under their home insurance policy.

LV are the insurers of Mr B and Mrs B's policy. Part of this complaint concerns the actions of an agent. As LV have accepted they are accountable for the actions of the agent, any reference to LV includes the actions of the agent.

What happened

The background to this complaint is well known to both parties, so I won't go over it in great detail. However, in summary, Mr B and Mrs B made a claim to LV following an issue involving an escape of water. LV instructed an agent to carry out repairs, but they caused further damage to Mr B and Mrs B's property. LV then instructed another agent to continue with the repairs as well as resolving the damage caused by the first agent. Mr B and Mrs B complained to LV about this, the length of time to carry out the repairs and having to source a bath and shower themselves. LV responded and explained, in carrying out trace and access work, the first agent caused additional damage. They said they agreed to the agent being removed from the claim and appointed another agent who subsequently completed the work. LV apologised for the problems experienced by Mr B and Mrs B and paid £300 compensation.

Our investigator looked into things for Mr B and Mrs B. He agreed LV had made errors and recommended they increase the compensation to £500. Mr B and Mrs B disagreed so the matter has come to me for a decision.

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've decided to uphold the complaint. And, I think the investigator's recommendation here is a fair way to resolve matters. I understand Mr B and Mrs B will be disappointed by this but I'll explain why I have made this decision.

Firstly, I've looked at the service given to Mr B and Mrs B. My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute.

The key facts about the complaint aren't in dispute. LV have admitted they got things wrong when their agent caused additional damage and the delay in handling the claim. The only issue I have to decide is whether their offer to put things right is fair and reasonable.

I think it's right that LV should compensate Mr B and Mrs B for the trouble, upset and inconvenience caused by their poor service. To help decide what a fair and reasonable level of compensation should be, I've looked at the error by LV and what the impact of that error has been.

Having reviewed the information provided by LV, I can see the claim was logged on 23 April 2022 and the trace and access work was then started by the first agent on 26 April. Due to there being issues, the first agent was replaced, and a second agent appointed on 13 May. The second agent then started the repair works on 24 May and this was completed on 8 July. So, from the point the first work was carried out, the work was completed just over 10 weeks later. I understand Mrs B feels the work could've been completed in three weeks but was stretched out. I can see LV have raised this with the second agent and they say the work was never going to take three weeks and, to ensure good workmanship, it couldn't be rushed. The second agent, once they were appointed, took around eight weeks to complete the work. Looking at the work that was completed, together with the second agent's work timeline, I'm not persuaded this was unreasonable.

That said, it's clear additional work became necessary due to damage caused by the first agent. So I agree with Mr B and Mrs B's concern that the repairs took longer because of the need to rectify the damage caused by the first agent. I can see LV accept this rectification work added two weeks delay and, looking at the second agent's timeline of work, I'm persuaded LV's estimation is broadly reasonable. In addition to this, LV accept there was a two-week delay caused by the first agent being replaced by the second agent – and I think that's also fair in the circumstances.

So, I think it's fair and reasonable for LV to pay compensation which takes into account the impact on Mr B and Mrs B over these four weeks. I think it's important to add, I can't see Mr B and Mrs B and their family were without bathroom facilities during this period. I can see LV also installed a bathroom pod – although there were initially problems with this which I've also taken into account. Mrs B also explains it got to the point where she became very frustrated with how long things were taking so she sourced the bath and shower herself. The information shows the second agent then cancelled the shower they'd ordered.

Taking all the information into account, I think that compensation of £500 would be fair and reasonable in the circumstances here. It will undoubtedly be stressful for any customer when work is being carried out in their home and we would expect an insurer to handle any claims promptly. In this case, the case notes provided by LV show Mrs B was very upset at the problems caused by the first agent and she was understandably very frustrated that rectification work would now be required to correct those problems – and this building in more time to get to the point of completion. I can see Mr B and Mrs B did source items themselves in an effort to speed things up, so this caused further inconvenience. I've also taken into account the upset caused to Mr B and Mrs B as a result of Mrs B's grandson being worried about the possible consequences of the damage caused by the first agent. So, taking into account the impact on Mr B and Mrs B, I think LV should pay compensation of £500 as this fairly reflects the impact on Mr B and Mrs B

I wish to reassure Mr B and Mrs B that I've read and considered everything they've sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

Putting things right

I've taken the view that LV have made an error which has had a significant impact on Mr B and Mrs B. So, in addition to the £300 already paid, they should pay an additional £200 for the trouble, upset and inconvenience – bringing the total paid for this complaint to £500.

My final decision

My final decision is that I uphold the complaint. Liverpool Victoria Insurance Company Limited have already paid £300 compensation – so they must pay Mr B and Mrs B an additional £200 to bring the total amount of compensation paid to £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 14 April 2023.

Paviter Dhaddy
Ombudsman