

The complaint

The complaint

Mr and Mrs E complain about the settlement offered by Liverpool Victoria Insurance Company Limited ("LV") for a claim they made on their home insurance policy after they suffered water damage in their home.

The policy is in joint names but Mr E has brought this complaint so, for ease, I'll refer to him throughout my decision.

Any reference to LV includes its agents.

What happened

Mr E had home insurance with LV. The policy insures Mr E's property against loss or damage caused by fire, storm, flood, and theft, amongst other things.

In November 2021 Mr E reported that water was leaking through the ceiling. On investigation it was discovered there was a crack in the shower tray of the en suite.

LV instructed a surveyor to assess the damage. The surveyor said some of the elements of damage wouldn't be covered under the policy. LV made a cash settlement offer for the repairs which were covered of £947.32 less any excess.

Mr E obtained an invoice for the repairs which totalled £2,196.54. So he says the offer made by LV doesn't cover the cost of replastering the lounge ceiling or a contribution towards the cost of the undamaged tiles.

LV didn't agree. It said Mr E didn't have matching sets cover so it wasn't liable for the cost of the undamaged tiles or the cost of the repair to the whole ceiling. It said a patch repair would be sufficient. Mr E didn't agree so he complained to LV.

LV acknowledged the complaint but was unable to provide a full response within the timescale so Mr E referred his complaint to this service.

Our investigator looked into things for him. She said she thought it was fair for LV to carry out a patch repair on the ceiling. She said LV had agreed to pay Mr E a further £789.22 in settlement of the claim plus £500 for the distress and inconvenience caused to Mr E. So for the repairs Mr E would receive £1,636.54 in total (£847.32 already agreed plus £789.22). LV would also pay him £500 for the distress and inconvenience caused.

Mr E didn't accept the offer. He said LV should pay 50% towards the cost of replacing any undamaged tiles. He also said LV should pay for the replacement of the ceiling rather than a patch repair since the advice he's been given is that a patch repair wouldn't be sufficient. Because Mr E didn't agree the complaint has come to me to decide.

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.

I understand Mr E has strong views about what's happened and I can empathise with the situation. I have read and considered everything I have received carefully. My role is to consider the evidence to reach what I think is a fair and reasonable decision.

Patch repair to ceiling

The policy says LV will pay for, "*Loss or damage caused by escape of water.*" The policy goes on to say, "*we will pay the cost to us of any necessary replacement or repair work carried out.*"

Mr E wants his whole ceiling repaired but the damage from the escape of water is only limited to the small section cut out during the course of the repairs. And since the policy only covers loss or damage caused by the escape of water, and the remainder of the ceiling wasn't damaged in the incident, I can't say LV acted unreasonably in declining this part of the claim.

The surveyor has agreed a patch repair is a necessary repair and is covered under the terms of the policy. The report says, "*Wet ceiling plasterboard has been cut. Ceiling will need a patch repair to plasterboard, then to be skimmed and redecorated.*"

Since repair to undamaged parts of the ceiling aren't covered by the policy I'm unable to compel LV to pay for work to the entire ceiling.

Contribution towards undamaged tiles

Mr E wants LV to contribute 50% towards the cost of the undamaged tiles in the bathroom. I have checked the policy and I'm satisfied matching items are specifically excluded, or not covered, under the terms of the policy. It is set out in the 'what is not covered' section of the policy, and specifically excluded in the policy schedule. And so I don't think LV acted unreasonably in declining this aspect of the claim.

Settlement of the claim

LV originally offered Mr E £947.32 in settlement of the claim. Our investigator looked into things and recommended LV pay a further £789.22 towards the cost of repairs. And I think this is reasonable in the circumstances.

Since work to the whole ceiling and undamaged tiles aren't covered under the policy they aren't included as part of the settlement. The replacement of the shower tray and the excess are also not covered by the policy and deducted from the final settlement. The remaining works are covered under the terms of the policy and therefore I'm satisfied LV are liable for those costs.

Our investigator recommended a settlement of £500 to reflect the distress and inconvenience caused. Having carefully considered the impact of the matter I agree this level of settlement is reasonable in all circumstances of the complaint.

There is no dispute there has been a leak and damage as a consequence of that leak. However I haven't seen anything which persuades me repairs to the entire ceiling was

damaged by the water, or that the undamaged tiles are covered under the terms of the policy.

I know Mr E will be disappointed with my decision. LV has accepted the service fell below what would be expected and has agreed to pay Mr E £500 to reflect this. LV has also agreed to increase the settlement offer in line with this service's recommendations. I think this is reasonable in the circumstances.

Putting things right

I direct LV to;

- Pay Mr E a further £789.22 in settlement of his claim
- Add 8% simple interest from the date the settlement was originally paid to the date LV pays the settlement
- Pay Mr E £500 to recognise the distress and inconvenience caused

My final decision

For the reasons explained above I'm upholding this complaint and direct Liverpool Victoria Insurance Company Limited to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E and Mr E to accept or reject my decision before 20 November 2023.

Kiran Clair
Ombudsman