

## **The complaint**

Mr H and Miss H complained about Liverpool Victoria Insurance Company Limited (LV). They are not happy about the way it dealt with a claim under their home insurance policy.

For ease of reading any reference to LV includes its agents.

## **What happened**

Mr H and Miss H made a claim under their home insurance policy after a neighbour caused damage at their property. Unfortunately, the claim was complicated as asbestos was found which delayed matters. And Mr H and Miss H went on to complain to LV about the delays, damage caused to their property (including poorly stored property) amongst other things.

LV accepted it didn't handle things very well and delayed the claim. It acknowledged that it should have handled things better, delayed matters and didn't store Mr H and Miss H's property adequately causing damage. It settled the claim and offered £250 by way of compensation but as Mr H and Miss H remained unhappy they complained to this Service.

Our investigator looked into things for them and upheld their complaint. Although he accepted LV had taken steps to put things right now he thought that the level of compensation should be increased to £750 (total). And he asked LV to appoint an independent assessor to consider two remaining issues in relation to damage caused to their garden and a boat motor which was damaged during the handling of the claim.

LV's agent accepted the position outlined by the investigator. It sent Mr H and Miss H £750 compensation and asked if they could appoint an independent assessor themselves to look at the boat's outboard motor.

However, LV then stopped communicating with Mr H and Miss H and this Service. So, the matter was 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.

While the matter has been with me for review it has been clarified that LV are fully responsible for this complaint and the claim as this wasn't transparent before. It would appear that this contributed to the delay in finalising this matter and communicating with this Service as there was a transfer of responsibility for the claim.

As both sides have agreed with the majority of the investigator's position I don't propose to go over the finer detail again here. And I agree £750 (total) in relation to this complaint seems fair. I understand that Mr H and Miss H have cashed the cheque from LV in relation to this, so I won't be asking LV to do anything further about this.

Turning to the potential damage caused in relation to the poor storage of the boat motor. I agree with the investigator that appointing an independent assessor would have made sense. However, as LV have failed to advance this with Mr H and Miss H over a significant period of time it is understandable that the outboard motor is no longer available as it has been disposed of. And I feel it would be fair in the circumstances to accept that the damage was caused as part of this claim. And so, LV should pay the cost to replace the outboard motor and the cost of making good the garden which they have repaired.

So, I asked our investigator to make LV aware that I'm asking them to pay the value of the second-hand motor and the cost of making good the garden. It accepted the position regarding the garden and has paid Mr H and Miss H the costs incurred but changed its position about the boat motor. It now said it wasn't responsible for the outboard motor as it believes the motor was affected by asbestos during the claim which means the damage wouldn't be covered under the policy.

However, as our investigator has explained the damage to the outboard motor has mainly been caused by the poor handling of the claim and the failure to store the motor properly. I've not seen anything to suggest that it was affected by asbestos and it only seems fair, given the passage of time and how long the claim took to settle for LV to pay the market value of an equivalent second-hand outboard motor now. Indeed, Mr H and Miss H have been clear that the only reason the outboard motor wasn't useable was because it wasn't stored properly by LV's contractors which caused a significant amount of damage. And they have highlighted that the company that attended to clean and look after the asbestos problem removed all items damaged by asbestos and left the motor as it wasn't damaged which does suggest it wasn't contaminated.

I think it is likely, on balance, that the asbestos removal company would have sealed and taken the boat motor away if it was affected upon attendance. And LV's delay in dealing with the claim generally has contributed to the boat motor being unavailable for inspection. And so, I think it is only fair for any doubt to be given to Mr H and Miss H here. As such, I think LV should pay the market value of the outboard motor. And I've seen some evidence that this would cost around £1,495 to replace so it seems reasonable for LV to pay this.

### **My final decision**

It follows, for the reasons given above, that I think Liverpool Victoria Insurance Company Limited should pay for the garden rectification work, £1495 for the boat motor and £750 (total) in compensation. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H and Mr H to accept or reject my decision before 11 July 2023.

Colin Keegan  
**Ombudsman**