

The complaint

Mrs G complains that Liverpool Victoria Insurance Company Limited acted unfairly when handling a claim she made under her home insurance policy.

What happened

I'll summarise the key points:

- Mrs G got in touch with LV in 2022 about water damage to her garage and shed as a result of alterations a neighbour had made on their property.
- LV appointed a company, H. They sent a representative who they described as a 'surveyor' to inspect the damage. H told Mrs G the damage had been caused by wear and tear and wasn't covered by the policy.
- Mrs G complained. She said H's representative had told her at the inspection that repairs to the garage and shed were covered, but it wouldn't deal with the water ingress problem. Now it was saying nothing was covered. She'd also been in touch with the Royal Institute of Chartered Surveyors (RICS) and Chartered Institute of Loss Adjusters (CILA) and found the representative wasn't a member of either organisation. LV's position remained unchanged.
- Our investigator thought the complaint should be upheld. She was satisfied the claim had been declined fairly as the cause of damage wasn't covered by the policy. But she didn't think LV had been clear with Mrs G during the claim. She asked it to pay £100 compensation.
- LV accepted what our investigator said. Mrs G asked for her complaint to be referred to an Ombudsman. She said LV had told her the claim would be covered when she initially reported it. And she thought LV would help her to identify the source of the water and put a stop to it.

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.

- The policy covers damage to the buildings, which includes garages, outbuildings and driveways, as a result of a number of specific causes. It doesn't cover finding and resolving the source of incoming water, unless it's leaking from a pipe or similar.
- The causes relevant to this claim are: escape of water, flood and accidental damage. I've thought about the circumstances to decide if the damage has been caused by any of them.
- Mrs G says she noticed water was reaching her driveway from her neighbour's property in 2014. By 2019, it was reaching her garage. At that time, her neighbour

agreed to pay for a drain to redirect the water away. But in 2021, water was pooling on her driveway and her neighbour didn't agree to engage with the problem any further. In 2022, she noticed water pooling around her shed. Both shed and garage were suffering water and crack damage at this time.

- Mrs G arranged for the local water company to visit. They found no evidence of pipe leaks and were satisfied the water was coming from the neighbour's property due to a lack of an effective drainage solution. The company gave advice to the neighbour, but I understand they've taken no action to change things.
- H's notes say the water problem has been ongoing for a number of years, so the damage has been happening gradually. They thought some of the damage amounted to wear and tear. Whilst the representative doesn't seem to be a member of RICS or CILA, I don't think they need to be in order to make these kinds of judgements about the damage. And what they've said is closely aligned to the circumstances Mrs G has described, so I have no reason to doubt their opinion.
- Taking these circumstances into account, I'm not persuaded the damage has been caused in any of the ways covered by the policy. Escape of water cover only applies where the water leaks from a pipe or similar – and that doesn't seem to be the case here. I'm not satisfied the gradual movement of water in the manner seen here amounts to a flood. And for damage to be 'accidental', the policy requires it to have been caused suddenly – which isn't the case.
- Even if the damage was caused in a way covered by the policy, the policy says it doesn't cover: "claims arising from wear and tear or gradual deterioration". It's questionable whether the water damage can fairly be described as 'wear and tear' because it's not happening through the normal usage of the buildings – the water is intervening to cause the damage. But without doubt, it's a gradual process.
- Overall, I'm satisfied it was fair for LV to decline the claim under the home insurance policy.
- I understand Mrs G is aware of this, but, for completeness, her policy does include additional legal expenses cover, including a legal advice helpline. She's entitled to explore these options if she wishes.
- LV has accepted that it was unclear with Mrs G at times. For example:
 - LV initially gave Mrs G the impression the claim was covered and it would ask her neighbour to resolve the water problem. LV didn't seem to explain that the purpose of the visit by H was to decide if the claim was covered or not. Or that it would only get in touch with the neighbour if the claim was covered.
 - Mrs G says H told her it would cover the damage – but its notes say otherwise. I don't know what was said at the visit but clearly a misunderstanding has arisen somehow.
 - H's notes mainly refer to gradual damage, but LV focused more on wear and tear when explaining why it had declined the claim.
 - LV referred to H's representative as a surveyor, but its unclear what qualifications, if any, they have to justify this title.
- Bearing all of this in mind, I think it's clear Mrs G was caused avoidable inconvenience by the way LV dealt with the claim. It should have been clearer with

her about the claim position, the likely steps involved, and the status of the representative involved. I'm satisfied £100 is reasonable compensation.

My final decision

I uphold this complaint.

I require Liverpool Victoria Insurance Company Limited to pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 24 July 2023.

James Neville
Ombudsman