

## The complaint

Mrs M and Mr M are unhappy with the service provided by Liverpool Victoria Insurance Company Limited (LV) when dealing with a claim under their home emergency insurance policy.

Mrs M and Mr M are both parties to this complaint. Mrs M has primarily dealt with this service. For ease of reference I have referred to Mrs M throughout this final decision.

## What happened

Mrs M took out a home insurance policy underwritten by LV. The policy included buildings and contents cover (with an excess of £350 for each claim), and home emergency cover. The policy terms for home emergency cover included the following definition:

### *Permanent Repair*

*Where possible, we'll look to complete a permanent repair if this can be carried out during the same visit and at a similar cost to a temporary repair.*

*There will be times when this won't be possible such as:*

- where decorations, fixtures, fittings, and outside surfaces are damaged when providing emergency assistance.*

In June 2022 Mrs M called LV to 'to advise of a leaking radiator at the property.' LV's engineer attended, and it was recorded 'Found water escaping down the pipe to the radiator. Potential a screw has gone through one of the pipes. Cut a small hole to investigate however found a thick wooden wall behind. Building insurance required to investigate further, wall will need a much larger hole cut out to pinpoint leak...'

The next day a representative from LV called Mrs M to discuss the outcome of her claim. The call note recorded 'advised of Eng [engineer] notes and that T&A [trace and access] is required, PH will speak to BI [buildings insurance], happy to close claim.' Mrs M subsequently asked a local plumber to investigate the leak, and repair it. This was done at a cost of £168 to Mrs M. Mrs M also made a claim on her buildings insurance for the damage to her home caused by the leak. The excess of £350 was paid by Mrs M following this claim. LV arranged for repairs to be completed to the 'kitchen/diner and ensuite [including] painting, decorating and plastering.'

In June 2023 Mrs M contacted LV to complain about the increase in the cost of her home insurance. Mrs M was concerned that this cost increase had happened directly because of the claim that she'd made on her policy. Mrs M said, 'the damage would not have happened if the man from HE [home emergency] had dealt with the plumbing repairs efficiently.'

LV accepted that the buildings claim hadn't been dealt with in line with their usual service standards because of the time taken to complete repairs. LV offered Mrs M £100 by way of a

cheque in recognition of this poor service. Unhappy with LV's response, Mrs M referred her complaint to the Financial Ombudsman service for investigation.

The investigator found that as the home emergency couldn't be resolved, it was reasonable for LV to have referred Mrs M to claim on her buildings insurance instead. The investigator also explained that LV ought to have correctly informed Mrs M that the trace and access part of investigating the leak would be covered by her buildings insurance cover.

LV agreed to reimburse the £168 Mrs M had paid to a plumber to repair the leak, plus 8% per annum simple interest on this amount to reflect the time Mrs M had been without this money. Mrs M didn't accept the investigator's findings. Mrs M said that LV should refund the cost of the excess she had to pay, because *'If the job had been completed on the first visit... it would have been an end to the matter... I was under the impression that one of the reasons insurance companies offered Home Emergency Cover was to attend to incidents as quickly as possible thereby reducing the cost of damage caused.'*

As the complaint couldn't be resolved it has been passed to me for 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.

The main point of dispute in this complaint is whether Mrs M's home emergency policy ought to have covered the reported leak. Mrs M strongly feels LV's appointed engineer didn't do enough to find, and repair the leak, when attending to her home emergency call out. Mrs M has explained how *'The reinforcement behind the plasterboard is an ordinary sheet of plywood which is standard for the job of supporting the small radiator. It was a fairly swift job for the Trace & Access engineer to cut through it.'*

I've reviewed the engineer's comments in the report completed following the call out. I'm satisfied that the engineer took reasonable steps to investigate the leak, and determine the source of it. The engineer's report includes images of the radiator where the leak was suspected, and images to show the impacted area after investigation work had been carried out. The images show removal of some plasterboard, and clear indication of a wooden wall behind the plasterboard preventing any further immediate access. I think the engineer's assessment of the level of intrusion required to further cut through the wooden board, and referring Mrs M to instead make a claim through her buildings insurance, was reasonable.

Mrs M's policy includes cover for trace and access of a leak. The invoice provided by Mrs M to evidence the work completed by her own plumber doesn't break down the cost of trace and access, and repair of the leak. LV have agreed to cover the full cost of the invoice provided by Mrs M. As Mrs M's policy wouldn't cover repair of the leak itself, I'm satisfied what LV have offered to cover in the circumstances is reasonable.

Mrs M has requested return of the insurance excess of £350 that she paid following the claim on her buildings cover. But I'm satisfied that the referral to make a claim on Mrs M's buildings policy to further investigate the leak was reasonable. I've also taken into consideration the type of home emergency policy held by Mrs M (add-on), the cost of this additional benefit, and what is what designed to cover. In doing so, I'm satisfied Mrs M's home emergency was investigated in line with the policy terms. As it couldn't be resolved, LV correctly informed Mrs M to claim on her buildings insurance policy.

It was for Mrs M to decide whether to claim on her buildings insurance policy once her own plumber had attended to repair the leak. Mrs M decided to pursue with a claim under her

home insurance policy to cover the damage caused by the leak. So it's reasonable that LV applied an excess to the cost of this claim, in line with the policy terms.

I've seen that repairs to the damage caused by the leak were completed in full. This includes to the *'kitchen/diner and ensuite [including] painting, decorating and plastering.'* On balance, although I accept the scope of the claim might've been different if LV hadn't caused a delay, I'm satisfied LV completed repairs in line with the policy terms. And the crux of Mrs M's complaint isn't about the delay in itself, but rather that the buildings claim could've been avoided if LV had dealt with the leak as part of her home emergency claim. But for reasons I've already explained I'm satisfied that the work completed as part of the home emergency call out was reasonable, based on the engineer's assessment at the time.

I appreciate Mrs M's disappointment with this outcome. This situation has clearly left Mrs M feeling upset, and financially out of pocket. But I haven't seen any evidence to persuade me that LV's actions in assessing Mrs M's home emergency claim, were wrong, or unfair. I do think LV ought to have provided clearer information about covering the cost of the trace and access part of Mrs M's claim. LV have now agreed to do this. I think LV's agreement to put things right is fair, and in line with what this service would recommend in the circumstances.

### **Putting things right**

LV is directed to do the following:

- LV must reimburse Mrs M the cost of the plumber's invoice for £168. LV must pay 8% per annum simple interest from the date this payment was made by Mrs M to the date the claim is settled\*.
- If the cheque for £100 offered to Mrs M in LV's final response letter has not been cashed, re-issue this cheque.

\*If LV considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs M how much it's taken off. It should also give Mrs M a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

For the reasons provided I uphold this complaint. Liverpool Victoria Insurance Company Limited must follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 27 December 2023.

Neeta Karelia  
**Ombudsman**