

The complaint

Mr M and Mrs M have complained that Liverpool Victoria Insurance Company Limited (LV) unfairly declined a claim under a home insurance policy.

What happened

Mr M and Mrs M contacted LV to make a claim when their home was burgled. LV assessed the claim and requested various information in relation to it. It later declined the claim because it said Mr M and Mrs M hadn't complied with the requirement that the burglar alarm must be set when the property was unattended.

Mr M and Mrs M complained about the claim decline and about various aspects of LV's service. When LV replied it maintained its decision to decline the claim. It also didn't agree that there were issues with its service.

So, Mr M and Mrs M complained to this service. Our investigator didn't uphold the complaint. He said it was reasonable for LV to decline the claim because the burglar alarm wasn't in operation at the time of the burglary. He also said LV had dealt with the claim reasonably and had responded to the issues Mr M and Mrs M had raised.

As Mr M and Mrs M didn't agree, the complaint was referred to me.

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 don't uphold this complaint. I will explain why.

The relevant rules and industry guidelines say a business should provide support and help with understanding, and enable customers to pursue their financial objectives. At the time of the claim the Consumer Duty had also come into force, so I've also considered this complaint with that in mind.

LV declined the claim because there was no-one in Mr M and Mrs M's property when it was burgled and the alarm wasn't on. The policy schedule said:

“Security requirements

This policy will only provide cover for theft or attempted theft if the following security is put into operation whenever your home is left unattended:

...

Alarm:

- *Fitted by an NSI/SSAIB approved company, or*
- *A centrally monitored alarm”*

It isn't in dispute that the alarm hadn't been set before Mr M and Mrs M went out. They've explained that the alarm had a fault and so it had been set for several days before the burglary. I'm aware Mr M and Mrs M have said the date LV stated as the last day on which the alarm had been set was wrong. However, even taking the date Mr M and Mrs M have said as the correct one, the alarm hadn't been in operation for at least 10 days. It wasn't set when the burglary happened, despite the property being unattended. I'm also aware Mr M and Mrs M said they had spoken to the burglar alarm company on the day of the burglary to arrange a repair to the alarm.

Mr M and Mrs M have also said the burglars wouldn't have known if the alarm was set and that it was unlikely to have deterred the burglars or made any difference even if the burglars had set off the alarm. I can't say what would have happened if the alarm had been set, as this is a hypothetical situation. The alarm hadn't been working properly for some time and Mr M and Mrs M knew this. I think they could have acted sooner to repair the alarm. Based on what I've seen, I'm satisfied it was reasonable for LV to decline the claim on the basis that Mr M and Mrs M hadn't complied with the burglar alarm requirement.

Mr M and Mrs M also said LV could have declined the claim earlier and they then wouldn't have had to compile a list of stolen items. I don't consider it unreasonable for LV to have continued to assess the claim to see if there was cover available, rather than immediately declining it. Insurers will also often deal with more than one aspect of a claim at the same time. This can mean that decisions on a claim can be made more quickly about whether and how to settle a claim, as different aspects are being progressed at the same time. However, I can see that where a claim is later declined that a policyholder might think they've wasted their time and effort.

Mr M and Mrs M were also concerned about the tone of some of LV's emails and that LV didn't respond to all the issues raised. I read the emails. LV's first complaint response was brief and didn't respond to all the complaint points. Mr M seemed to reply to the email about five minutes later to query why all the points hadn't been addressed. LV responded the following morning addressing the points. Mr M replied again less than an hour later and said he noted the rather "*brash tone*" and asked for the complaint to be referred to a senior manager. Mr M and Mrs M received a further reply a few days later that said the person who had replied to the complaint hadn't intended to be brash and LV was sorry if it came across in that way. LV also confirmed that a senior technical manager had reviewed the complaint and was satisfied that LV's actions and decision met the requirements set out by the FCA in the Consumer Duty and data protection requirements.

Although I think the first response to the complaint could have included more detail, I think LV then replied promptly when Mr M asked for a response to each point he had raised. The second response addressed the points and when Mr M remained dissatisfied with the response and was concerned by the tone, LV reviewed the complaint again and provided a further reply.

Part of Mr M and Mrs M's complaint was specifically that LV should have responded to their complaint in a full and transparent manner. Mr M questioned various aspects of the claim and it being declined. Looking at what LV said about the claim decline, I think it responded to Mr M's questions and that when Mr M later complained, it was reasonable for LV sometimes to direct Mr M back to what he had previously been advised. Once LV had provided its initial reply to the complaint with referral rights to this service, it didn't have to continue to reply to Mr M and Mrs M about the complaint. However, it did so, including carrying out a more senior review of the complaint. So, I think LV responded to the points raised but, given it didn't change its claim decision, this made it less likely that the responses would satisfy Mr M and Mrs M's concerns.

Mr M and Mrs M also complained that LV sent the policy renewal documents, which included personal information, by unsecure mail and that he thought this fell short of best practice. LV told Mr M and Mrs M that it used Transport Layer Security (TLS), which was a secure email transfer. It isn't for this service to tell an insurer how it should operate its business. I'm also not an expert on email security. However, it's my understanding that TLS is a recognised form of encrypted email. Mr M and Mrs M also haven't highlighted any harm caused to them or security breach because of LV sending the documents in this way. So, I'm not persuaded there is evidence it was inappropriate for LV to send the documents by email. Mr M and Mrs M have said they might also take this matter to the Information Commissioner's Office, which is for them to decide.

So, thinking about all of the above, I don't uphold this complaint. I think LV acted reasonably when it declined the claim. I think at points LV's communication could have been better. But I think it took Mr M and Mrs M's claim and complaint seriously. It explained why the claim had been declined, it provided further responses to clarify issues and also carried out a further, more senior, review when Mr M and Mrs M requested this. I can understand that Mr M and Mrs M remained dissatisfied with what happened with the claim and complaint but, overall, I think LV dealt with it fairly and in line with the relevant guidance and duties.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 4 March 2024.

Louise O'Sullivan
Ombudsman