

The complaint

Mr and Mrs S have complained about the way that Liverpool Victoria Insurance Company Limited (LV) handled a claim for water damage under their home insurance policy. References to LV in this decision include its agents and contractors.

What happened

In February 2019 Mr and Mrs S made a claim to LV following the discovery of a water leak from their washing machine. The leak appeared to have been going on for some time. In particular, the solid wooden floor in the kitchen and adjacent dining room was damaged as a result of the leak.

LV arranged for the kitchen to be stripped out so that the property could be dried. The property was certified as dry after a few days of drying. New flooring was laid in the kitchen and dining room. Not long after Mr and Mrs S noticed the new floor was “cupping”.

Mr and Mrs S brought a complaint to this service about snagging issues and damage to the wooden flooring. LV agreed to lift the flooring and investigate. Our Investigator recommended that LV pay Mr and Mrs S £250 compensation. The parties agreed to that.

It appeared that the floor might not have been dry when the new flooring was laid on top and that the flooring hadn't been laid in accordance with the manufacturer's instructions. LV arranged for Mr and Mrs S to move into alternative accommodation from November 2021 to May 2022 while further repair works were carried out.

The repair work was eventually finished in June 2022. Mr and Mrs S complained that the work had gone on much longer than it should have due to fault on the part of LV and its contractors. LV agreed that there had been unnecessary delays. It apologised and paid £1,500 compensation to Mr and Mrs S.

Mr and Mrs S brought a further complaint to this service. In summary the main issues they were unhappy about were the following:

1. Initially the extent of the water damage hadn't been realized and so their home hadn't been completely dried;
2. The presence of asbestos in the exposed floor hadn't been noted;
3. The replacement floor hadn't been laid properly;
4. They'd had to move out of their home for six months to enable remedial works to be completed;
5. LV's contractor had caused £500 of damage to their dining room floor;
6. They'd had to put a lot of effort into getting their home repaired properly;
7. The stress and uncertainty caused by the way the claim was handled had affected their physical and mental health.

Our Investigator recommended that LV should pay a further £1,000 compensation and investigate the damage to their dining room floor. LV accepted those recommendations. As

Mr and Mrs S didn't accept that the amount of compensation was sufficient, the matter has been 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.

This service is an alternative dispute resolution service whereby we try to resolve matters informally between the parties. Our awards of compensation are intended to reflect the level of distress and inconvenience. In assessing this I look at matters as a whole rather than making awards for each and every instance of poor service.

In this case clearly the water damage to Mr and Mrs S's home shouldn't have taken over three years to sort out. I think this was far too long. Effectively the work had to be completely redone. I can see that what should have been a relatively straightforward water leak turned into a long and frustrating saga. I don't doubt Mr and Mrs S's account of everything that went wrong. So the main issue for me to decide is how much compensation they should receive on account of this.

Mr and Mrs S has provided evidence of Mr S's health deteriorating over the duration of the claim. Although it's not possible to say with any certainty that the stress of the claim caused his health problems, it almost certainly didn't help.

This service considers that an award of over £1,500 is appropriate where the business's mistakes cause sustained distress, potentially affecting someone's health, or severe disruption to daily life typically lasting more than a year as has been the case here. I'm sorry to disappoint Mr and Mrs S but I think a further £1,000 (bringing the total award for this complaint up to £2,500) is appropriate to reflect the trouble and upset suffered by them in the circumstances. This is also in line with awards this service has made in similar cases

I note LV has agreed to investigate the damage to Mr and Mrs S's dining room floor and think this is fair.

My final decision

For the reasons set out above, I uphold this complaint and require Liverpool Victoria Insurance Company Limited to:

- pay Mr and Mrs S a further £1,000 compensation for the trouble and upset it caused them; and
- investigate the damage to the flooring in their dining room.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 17 May 2024.

Elizabeth Grant
Ombudsman