

## **The complaint**

Mrs L and Mr L complain about Liverpool Victoria Insurance Company Limited ("LV") and the decision to decline the claim they made on their home insurance policy following damage to their roof.

Mr L has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, and comments made, by either Mrs L or Mr L as "Mr L" throughout the decision where appropriate.

## **What happened**

The claim and complaint circumstances are well known to both parties. So, I don't intend to list them chronologically in detail. But to summarise, in November 2022, Mr L noticed water ingress into his daughter's room he felt had been caused by storm damage to his roof. So, in early January 2023, Mr L contacted LV to make a claim on his home insurance policy.

Mr L felt his claim had been accepted on this call. So, he sourced his own contractor to repair his roof, contacting LV again in late February with an invoice of the works that had been completed. Considering the advice given to Mr L on the initial call, LV agreed to validate his claim. But during this process, LV didn't think there had been storm conditions around the time Mr L noticed the ingress, nor did they think the damage repaired was typical of a storm. So, they declined the claim. Mr L was unhappy about this, so he raised a complaint, setting out why he thought the claim should be covered considering the advice he was given on the call he made in January.

LV responded to the complaint and didn't uphold it. They thought the claim had been declined correctly, and fairly. And they thought on the call in January, it had been agreed Mr L would call LV back before the works were undertaken, and he didn't do this. So, they didn't think they needed to do anything more. Mr L was unhappy about this, so he referred his complaint to us.

Our investigator looked into the complaint and upheld it. They thought the claim had been declined fairly, and in line with the policy terms, as they didn't think the storm criteria had been met. But they did think LV had failed to make it reasonably clear to Mr L he would need to seek their consent for the repair work to be completed before his contractors should proceed. And they accepted on the initial call LV suggested there were storm conditions when there wasn't. So, they recommended LV pay Mr L £250 to recognise their failures, and the emotional impact this had.

LV accepted this recommendation. But Mr L didn't, maintaining his view LV had failed to make the process clear to him, which resulted in him incurring repair costs that ultimately were never going to be covered. So, he didn't think the £250 recommendation was enough, considering the total costs of the repairs equated too significantly more. As Mr L didn't agree, the complaint has been passed to me for a 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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

I note LV accepted the recommendation put forward by our investigator, which was a payment to recognise LV's failure to reasonably manage Mr L's expectations on the initial claim call he made in January. As LV accepted this recommendation, I think it's reasonable for me to assume that this complaint point is no longer in dispute. So, I'm satisfied LV did act unfairly regarding this issue and I don't intend to discuss its merits in any significant detail. Instead, I'll focus on what I think LV should reasonably do to recognise this failure later within my decision.

I've then thought about the decision to decline the claim overall, considering it's accepted LV did suggest the claim would be covered on the initial call with Mr L. And when doing so, I've carefully considered the terms and conditions of the policy Mr L held, alongside standard industry approach.

On the call between Mr L and LV, Mr L made it reasonably clear he felt the damage caused to his roof occurred during a storm. And after consulting his messages, he gave a date of 16 November 2022 as the most likely date the damage occurred. So, I think LV were fair to use this date when validating the claim. And in any storm damage claim, our service would expect a business such as LV to validate it and when doing so, use weather reports to ensure their criteria for a storm was met.

I've read through LV's definition of storm, laid out with their policy booklet. And this defines a storm as *"Wind speeds with gusts of at least 47mph/75kmh or torrential rainfall at a rate of at least 25mm/one inch per hour or snow to a depth of at least one foot/30cm in 24 hours or hail of such intensity that it causes damage to hard surfaces or breaks glass."* And I've seen weather reports of the week leading up to and including 16 November 2022 obtained by both LV and our service. And on these reports, I think it's clear that none of the criteria set out above were met. So, because of this, I don't think I can say LV were unfair to decide storm conditions weren't present at the time the damage was caused.

And as storm conditions weren't present, I don't think I can say it was unfair for LV to decide that there was no insured event that caused the damage Mr L had to pay to repair. So, as there was no insured event, I don't think I can say LV have acted unfairly, or unreasonably, when declining the claim and refusing to cover the costs Mr L incurred. So, I don't think I can say they need to do anything more regarding the actual decline of the claim itself.

But as I've already mentioned above, I do think LV led Mr L to believe his claim would most likely be covered. And after listening to the call myself, I don't think they set out as clearly as they should've the claim process, and what Mr L needed to do before paying for the repairs.

So, as I don't think LV acted fairly regarding this point, I've then turned to what I think they should do to put things right.

## **Putting things right**

When thinking about what LV should do to put things right, any award or direction I make is

intended to place Mr L back in the position he would've been in, had LV acted fairly in the first place.

Had LV acted fairly, I think they would've made it reasonably clear to Mr L that they would always have needed to validate his claim, including any quote for repairs, before they could confirm they would cover the costs he incurred. And had they done so, I think this would've prevented the confusion that Mr L had no doubt been caused, as well as his frustration and shock, when discovering his claim had been declined after he'd paid a significant amount to his own contractor.

But crucially, even though LV did incorrectly suggest there were storm conditions present on the initial phone call, I think it's clear the storm conditions criteria set out within the policy terms and conditions weren't met. So, even if LV had made their claim process clearer to Mr L, I think he would still ultimately have been left in the same position with his claim being declined and him needing to pay for the repairs himself. And I think it's reasonable for me to assume Mr L would always have incurred this cost, as the repairs were needed to prevent further damage to his home being caused by the water ingress.

So, I don't think I can say Mr L was caused a financial loss by LV's actions and so, I won't be directing LV to reimburse him for this. Nor will I be considering the costs Mr L incurred when deciding what level of compensation I think is appropriate to fairly recognise LV's failures.

I note our investigator recommended LV pay Mr L £250 to recognise the confusion and frustration Mr L would've felt when discovering his claim wouldn't be covered, considering LV's failure to clearly explain their claim process. And I think this payment is a fair one, that falls in line with our service's approach and what I would've directed had it not already been put forward.

I think it fairly takes into consideration the fact LV misinformed Mr L on the potential success of his claim, and their failure to clearly communicate the claim process and what actions they expected Mr L to take next.

But I think it does also fairly reflect the fact that, on the call in January, Mr L clearly set out his intention to call LV back once he'd spoken to his own contractor, confirming the call handler's number and creating the impression he would call back later that day. I think it also reflects the fact that Mr L didn't call back that day and so, chose to continue with the repair work without LV's consent. And within the terms of the policy, I think it's made reasonably clear that LV *"may refuse to agree costs that are incurred by you before our agreed consent is given"*.

And I think the £250 payment takes into account that, despite the exclusion above being applicable, LV continued to try and validate the claim in good faith, considering Mr L's concerns about the information given to him on the initial call. So, considering all the above, I'm directing LV to pay Mrs L and Mr L a total of £250 compensation to recognise their failures on the initial call, and the impact this caused.

## **My final decision**

For the reasons outlined above, I'm uphold Mrs L and Mr L's complaint about Liverpool Victoria Insurance Limited and I'm directing them to take the following action:

- Pay Mrs L and Mr L £250 to recognise their failures on the initial claim call.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L and Mr L to accept or reject my decision before 29 May 2024.

Josh Haskey  
**Ombudsman**