

The complaint

Ms W complains about Liverpool Victoria Insurance Company Limited's (LV) poor handling of her claim for accidental damage, and its failure to provide alternative accommodation, under her home buildings insurance policy.

What happened

Ms W says she contacted LV in September 2022. Building work in the flat below was causing fumes and dust to enter into her home. Ms W says she asked LV to provide alternative accommodation as there was dust in her flat that could contain asbestos. She says the various agents she spoke to said she couldn't claim for dust.

In November 2022 Ms W contacted LV again to claim for cracking to her ceilings and walls. She thought this was caused by work in the flat above. She says LV's agent didn't understand her claim and told her she couldn't make a claim relating to another property. This was subsequently resolved, and her claim was accepted. But she says it took until the summer of 2023 before repairs commenced.

Ms W says she was told not to disturb the dust until an asbestos test had been completed. This meant she couldn't clean and was unable to use her kitchen or bathroom. She says she washed in a bucket, cleaned her clothes by hand each day, and was forced to eat takeaway meals in the park. During this time her husband was very ill, which she says made the situation even more distressing. Ms W also complained that her renewal premium had increased significantly.

In its complaint response LV says Ms W contacted it on 22 November 2022 to report accidental damage caused by work her neighbour was doing. It arranged for an inspection two days later. LV says it asked Ms W on 1 December how she wanted to proceed. It says she wanted to put the claim on hold until the new year. It says it asked again in February 2023 and Ms W advised her neighbour's renovation work was ongoing and for the claim to remain on hold.

Following contact from Ms W in April 2023 LV says it emailed her with the settlement options for her claim. It says it then appointed a loss adjustor as Ms W wasn't satisfied with how her claim had been handled. It says the recovery of losses from Ms W's neighbours was being considered. LV says that although it was Ms W who placed her claim on hold, it accepted it should've appointed a loss adjustor sooner. It paid £250 compensation as an apology. LV provided some information on how it calculates premiums. But it didn't uphold Ms W's complaint about the increase in the cost of her insurance.

Ms W contacted LV to say she wasn't happy with its response. It replied to say there had been some confusion. Its agents thought Ms W was asking to claim for damage at her neighbour's property, rather than pursuing the recovery of its costs from them. It paid Ms W a further £500 compensation for this and for other errors it says it made with her claim.

Ms W didn't think the compensation LV provided was enough for the distress and inconvenience it had caused her. So, she referred the matter to our service. Our investigator

upheld her complaint in part. He says LV should pay Ms W £10 per day as a disruption allowance for the period Ms W was unable to prepare meals at home if she could evidence this. But he thought the compensation it had offered was fair.

Miss C disagreed and asked for an ombudsman to consider her complaint.

It has been passed to me to decide.

I issued a provisional decision in February 2024 explaining that I was intending to not uphold Ms W's complaint. Here's what I said:

provisional findings

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 my intention is to not uphold Ms W's complaint. I'm sorry to disappoint her. But I'll explain why I think my decision is fair.

I'm sorry for the upset Ms W experienced as a result of renovation work being carried out at the properties above and below where she lives. I can understand this must've been very distressing given her health conditions and her husband's ill-health.

I've carefully reviewed the claim records LV provided along with the information Ms W sent. I can see she reported cracking to her bedroom ceiling as well as some walls in November 2022. The notes show LV arranged for an inspection. Following this Ms W gave instructions for the claim to be placed on hold until, "min start of next year". The notes says this was to allow for the third party to finish the renovation work.

The records show Ms W attempted to send a video to LV on 24 January 2023. This apparently showed the third party admitting to carrying out work in the upstairs flat. The notes say the video couldn't be viewed and Ms W was asked to provide it in a different format. There was a further contact in mid-February when Ms W says she was having difficulty sending a link. In mid-March the next record says the link couldn't be opened.

A record dated 4 April 2023 says Ms W wanted to make a claim relating to the property below. LV's agent said it can't consider a claim relating to another property. Also, on 4 April the claim records show Ms W asked whether the claim would impact on her renewal premium. The agent confirmed it would but couldn't advise how much. The note says Ms W then asked to withdraw her claim.

A note dated 13 April 2023 says Ms W again wanted to discuss potentially withdrawing her claim. LV conducted a review of the claim two weeks later. The note says Ms W has two claims logged. It says the latter was repudiated as it won't cover dust from the neighbouring property. But the former relating to cracking was covered under an accidental damage cause. The note says LV hasn't been able to access the video Ms W supplied via any of the links provided.

On 18 April 2023 Ms W contacted LV to complain. She didn't think she'd been treated fairly and that both her upstairs and downstairs neighbours should be held equally responsible for the damage to her property. Ms W advised that thorough cleaning of her property was needed, and some items may need replacing if the dirt can't be removed. She says she's been given misleading or conflicting information by the various agents she'd spoken to at LV. The record says LV's agent discussed appointing a cleaning contractor as well as the appointment of a loss adjustor.

A record dated 25 April details a discussion between Ms W and LV's agent. She says she should've been offered alternative accommodation throughout her claim, but this had been declined even though she'd enquired about this several times.

A loss adjustor was instructed to visit Ms W's property, which took place on 12 May 2023. The report provided to LV following this visit says:

"Due to extensive renovation work completed and insufficient precautions being taken on the ground level unit, the insured has discovered damage as follows:

- Debris coated and stained the ceilings, light fittings and walls throughout the house.*
- Debris coated content items including her lounge suite, curtains, art work, technology and bedroom furnishings.*
- Cracks discovered in the ceiling of the lounge, hallway and shared porch. We have engaged [cleaning contractor] to attend and report on the cleaning required."*

The claim records show Ms W contacted LV on 23 June 2023 to say her renewal premium had increased significantly from the previous year. It was explained to her that this was due to the open claim against her policy.

LV subsequently responded to Ms W's concerns in its complaint response dated 18 July. It says she had requested to place the claim on hold in December 2022 until the new year. It says she requested a further hold to be placed on the claim in February 2023 as renovations in the neighbouring properties were ongoing. LV says Ms W contacted it to discuss settlement options in April. At which point it appointed a loss adjustor.

In its complaint response LV told Ms W attempts to recover its costs from Ms W's neighbours were being looked at. But it explained this is a complicated process where clear evidence of negligence by a third party is needed. It says it will be in contact separately about this. LV concedes that it should've appointed a loss adjustor sooner. As discussed, an apology was offered, and it paid £250 compensation for the stress Ms W experienced.

LV wrote to Ms W again two days later after she'd expressed her dissatisfaction with its complaint response. This is when it agreed to pay Ms W a further £500 in compensation. This meant a total compensation payment of £750.

I've thought about Ms W's concern that she was given inaccurate information about whether the dust issue was covered under her accidental damage claim. The claim records show LV didn't initially think dust resulting from the ongoing renovations was covered under the cause of accidental damage.

I've read Ms W's policy terms. Under the definitions section it says, "Accidental damage – damage caused suddenly by external means which is not expected and not deliberate". The contents section, under the heading, "Standard accidental damage" says:

"to mirrors, furniture that contains glass or kitchen hobs; to home entertainment equipment while in your home or garden."

And:

"Additional accidental damage – to contents in your home or garden (optional cover)"

From Ms W's description of events, her home was repeatedly covered with dust as a result of the renovation work that was being carried out in the neighbouring flats. The inspection

report from May 2023 confirmed staining to the ceiling as a result of the dust. As well as dust covering other items and furniture in the property. Ms W had the benefit of additional accidental damage cover, so her claim wasn't restricted to the limited items specified in her policy terms for the standard cover.

I can understand why LV's agents didn't originally think damage caused by dust was a valid claim under an accidental damage cause. There are references to a suitable remedy being to wipe up the dust as opposed to action being required to repair damage to the building or contents.

However, Ms W's claim for accidental damage has been accepted by LV. Redecoration work is set out in the scope of works it produced, in addition to repairs to the cracked plasterwork. A cleaning contractor was also authorised to carry out cleaning of the property due to the dust. Albeit, it took some time to get to this point.

I acknowledge that Ms W did ask for her claim to be put on hold, twice, for several months. I can understand why she wanted to pause her claim. The renovation work was ongoing and the impact from dust getting into her flat continued. But the lack of progression during this period wasn't LV's fault. That said the business acknowledges it should have appointed a loss adjustor sooner. I think this would've made sense. The situation was ongoing and unusual in that damage was being caused by renovations from two developers carrying out work to two different properties, with ongoing dust issues. I think Ms W needed some additional support with her claim, and the appointment of the loss adjustor in May 2023 helped to clarify the situation. I agree with LV that it should've arranged this sooner.

I've thought about Ms W's comments that she wasn't offered alternative accommodation. She refers to an environmental officer from the local council who requested a test, given the risk of the renovation dust containing asbestos. She says whilst this was arranged she couldn't clean the dust in her property, and this caused a great deal of inconvenience and distress at an already difficult time. This meant she had to eat out and was living in a dirty home. She explains that she also needed to regularly visit her husband in hospital at this time, which added to the stress of the situation.

I've seen the email the environmental officer sent to Ms W and her neighbour dated 30 September 2022. This sets out concerns with the protections in place to prevent dust getting into Ms W's flat. It also asks that an asbestos test is arranged. From what I've read a negative test was returned on 18 October. But Ms W says she was unable to use her property as she would normally, due to the risk of asbestos, before this was confirmed. She says she contacted LV about alternative accommodation, but this was refused.

I asked Ms W if she could provide any information that would help identify records or call recordings to show the contact she made. She confirmed the telephone numbers she rang LV from. We asked the business if it could locate any recordings or contact records from Ms W from around this time. It provided its full claim records, but there is no mention of alternative accommodation being discussed.

I don't have any reason to doubt Ms W's recollection of the contact she made with LV. But I must also consider that the business has no record of a discussion about alternative accommodation due to the risk of asbestos. Based on this evidence I can't reasonably conclude that LV behaved unreasonably here. Ms W says she was unable to prepare meals due to the risk of asbestos dust. But the complaint I'm considering here is about the claim Ms W raised in November 2022. This was after it was confirmed that asbestos wasn't present in the dust.

I've thought about Ms W's concerns that her renewal premium increased significantly. I

asked LV to provide its underwriting information to show that it had treated Ms W fairly when calculating her renewal. This information is considered commercially sensitive so I can't share it. But from what I've read I can't see that LV treated Ms W differently from any other customer.

The way in which insurers assess risk and calculate premiums isn't something the Financial Conduct Authority (FCA) regulates. So, I can't comment specifically on the price it offered for Ms W's renewal. But I am able to consider whether it followed its established underwriting criteria when assessing the risk she posed and calculating her renewal. From what I've seen, it did so fairly, which did take into consideration her recent claim.

In summary, I don't think LV treated Ms W fairly. It should've arranged for a loss adjustor to visit sooner than May 2023. I think the standard of communication could've been better. Particularly about whether the dust issues were covered, and Ms W's query about the recovery of LV's costs from her neighbours. In these circumstances I think LV should compensate Ms W for the distress and inconvenience it caused her. But I'm satisfied that in paying her £750 LV has done enough to put this right.

I said I was intending to not uphold this complaint.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

LV didn't provide any further information or comments for me to consider. Neither did Ms W.

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.

As neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 19 April 2024.

Mike Waldron
Ombudsman