

The complaint

Mr S complains that Liverpool Victoria Insurance Company Limited ('LV') declined a claim on his home insurance.

What happened

Mr S had an LV home insurance policy. In November 2023, he discovered cracks at the top of a bedroom wall. He believed these cracks had been caused by his next door neighbour's building renovations the previous month. He made a claim to LV.

LV appointed a surveyor to inspect the damage and assess the claim. The surveyor found *"areas of cracking on ceiling, cornice and walls in multiple areas within the room, on the adjacent wall with the neighbour it was noted there was major cracking along the cornice and wall"*. He thought this damage had likely developed gradually over a long time and wasn't caused by a single event. LV told Mr S wear and tear wasn't covered by his insurance and declined the claim.

Mr S didn't agree and complained to this service. He told us his builder carried out repairs in February 2024. He paid just under £2,500 for this (including VAT), plus another £960 for redecoration. He wants LV to cover these costs.

Our investigator initially thought Mr S's claim should be covered by his policy. However, LV sent further evidence to support its position. Having reviewed this, our investigator didn't recommend that the complaint should be upheld. She thought the presence of similar cracks elsewhere in the property – away from the bedroom where Mr S said the renovation-related damage had occurred – supported the surveyor's view that the damage was due to wear and tear. Based on this, she thought LV's decision to decline his claim was fair.

Mr S didn't accept this, so the case was passed to me to make a final 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.

As LV explained, page 17 of Mr S's policy booklet says: *"Your policy does not cover claims arising from wear and tear or gradual deterioration."* The question for me is whether LV acted reasonably by relying on this exclusion to decline Mr S's claim.

Mr S accepts his home is over 160 years old and has *"small bits of wear and tear cracks"*. However, he says these are *"nothing like the cracks that appeared... immediately my neighbours got their room ceiling renewed"*.

Mr S sent us a report by the builder who repaired the damage. The report said, in summary:

- He found *"substantial damage"* to the lath and plaster ceiling, which was starting to fall, as well as horizontal cracking in the plaster cornice.

- “water ingress” in the front bedroom had “*compromised the ceiling and left it unsafe*”.
- “*Neighbouring wall/partition wall has been subject to extreme movement/vibration caused by drilling and hammering from next door. This wall was very loose & again has horizontal cracking from end to end.*”

We asked LV’s surveyor for his comments on the report. He said, in summary:

- The report suggested two separate perils were the cause of damage: water ingress and the neighbour’s renovations.
- He struggled to believe that the renovations as described – removing and replacing a lath and plaster ceiling – would cause the damage he saw.
- The property was over 100 years old. In his experience, cracking to original ceiling, cornice, and walls starts to appear over time in buildings like Mr S’s.
- He found other “*age and general wear and tear related cracks*” elsewhere in the property and sent us photos of these.
- He acknowledged these weren’t “*to the same extent*” as those in the bedroom.

LV’s surveyor has shown there was cracking in several areas of Mr S’s home, including the adjoining wall with his neighbour. It’s not disputed that the cracks on this wall were more serious than the others. But, given LV’s surveyor’s findings, it’s likely that the cracks were already present before Mr S’s neighbour began his renovations. I don’t think the surveyor’s conclusion that these cracks were due to wear and tear is unreasonable.

I accept it’s possible the renovations might have made the damage worse – LV’s surveyor agreed that the cracks in the bedroom were more significant than those he found elsewhere in Mr S’s home. However, Mr S’s builder said water getting into the front of the house had “*compromised*” the bedroom ceiling. I accept that Mr S had the water ingress repaired in August 2023, but I think it’s possible this could have contributed to the more serious damage in that room. This was before the renovations.

On balance, I’m not persuaded that the neighbour’s renovations were the primary cause of damage to Mr S’s walls and ceiling. I think LV has shown that its decision to decline the claim was reasonable. I recognise that Mr S feels very strongly about this, and he’ll be disappointed with my decision. But based on the evidence, I don’t think LV has acted unfairly. I won’t be asking it to do anything more.

My final decision

My final decision is that I don’t uphold the complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 30 August 2024.

Simon Begley
Ombudsman