

The complaint

Mrs W is unhappy with Liverpool Victoria Insurance Company Limited trading as LV=s (LV) decision to decline a claim made under her buildings insurance policy.

What happened

In May 2024, Mrs W had an accident at home, and she fell through the kitchen floor. She contacted LV with a view to making a claim on her buildings insurance policy. LV sent a drainage expert out to carry out an inspection. They said a drainage channel had been installed directly outside the property but was full of rubble and not connected to the below ground drainage system, so wasn't draining properly. They also said the previous owners of the property had carried out some works laying concrete slabs outside the back door covering airbricks, which meant the subfloor of Mrs W's home wasn't correctly vented. Mrs W's claim was declined on the basis the damage had occurred because of a faulty design.

Mrs W was unhappy with this and arranged for her own expert to inspect the property. Mrs W's expert indicated the floor had collapsed due to the patio sitting higher than the damp proof course. He said there was insufficient drainage which caused water to go back under the house.

Unhappy with the decision to decline her claim, Mrs W complained to LV. They responded, saying they wouldn't alter the decision reached. So, Mrs W asked this Service to review LV's handling of her claim. One of our investigators did so but didn't think LV had acted unfairly and that it was entitled to decline Mrs W's claim.

Mrs W didn't agree with the conclusions of our investigator, so the case has been passed to me to decide.

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.

I've started by considering the policy terms which LV is relying on to decline Mrs W's claim. These say the policy won't provide cover for:

“Any claim arising from:

- *faulty design, materials or workmanship.”*

My role is to decide if LV has acted fairly in how it's applied the policy terms to Mrs W's claim. And I'm sorry to disappoint Mrs W, but I consider that LV has. I'll explain why.

Both expert reports highlight issues with drainage and the concrete slabs which were laid in place before Mrs W bought the property. I'll address the comments about the drainage first. LV's drainage expert said there was an ACO channel outside the back door from the kitchen, where the flooring failed. They found the ACO channel was full of rubble and not connected

to the underground drainage system. As a result, they said the ACO channel was “*percolating to ground*”. This report also identified the pipework into the nearby gully wasn’t flowing as expected and the area around the gully had gradually deteriorated

The report from Mrs W’s expert said there was insufficient drainage and water was flowing back under the kitchen floor and had been for many years.

In terms of the concrete slabs, the report from Mrs W’s expert says these were laid higher than the damp proof course. LV’s report said the slabs covered the airbricks. Both reports indicate or make the finding that ventilation below the property was limited. It’s on this basis LV has concluded the damage occurred as a result of a faulty design. And based on the expert reports provided, I don’t consider this conclusion was unreasonable.

Mrs W says she’s been living in the property for five years and has been told it was unlikely these issues would have been identified in any pre-purchase survey. I understand this and acknowledge the works in laying the concrete slabs were carried out before Mrs W bought her home.

However, this in itself doesn’t mean the insurance policy must provide cover. Whilst I know this won’t be the answer Mrs W is hoping for, I consider LV has shown the dominant or main cause of the damage was the faulty design in terms of the unconnected ACO channel and with how the concrete slabs were laid, this being above the damp proof cause and the airbricks, blocking ventilation. I’m satisfied LV and has fairly relied on the above policy exclusion to decline this claim.

I see Mrs W has expressed concern about managing the cost of the repairs if the claim remains declined. I appreciate this is a very worrying situation, but for the reasons I’ve given, I can’t fairly say LV should overlook the evidence which shows the damage to her home as a result of faulty designs, even though these were in place before Mrs W bought the property. It follows I won’t be requiring LV to take any further steps to put things right in respect of Mrs W’s claim.

My final decision

My final decision is that I don’t uphold Mrs W’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs W to accept or reject my decision before 12 November 2024.

Emma Hawkins

Ombudsman