

The complaint

Mrs M has complained about how Liverpool Victoria Insurance Company Limited (LV) dealt with a claim under a home insurance policy.

References to LV includes companies working on its behalf.

What happened

Mrs M contacted LV to make a claim when her home, including the kitchen, was damaged by an escape of water. LV accepted the claim. It arranged to strip out the kitchen to allow drying to be completed. Mrs M and her family remained in the property and were provided with a temporary kitchen.

Mrs M complained to LV as she was concerned by the lack of progress and that she seemed to have to manage a lot of the claim herself. LV spoke to Mrs M and explained that a new loss adjuster would be managing the claim. Mrs M agreed that the complaint could be closed.

The drying works were completed. A scope of works was then prepared. LV also carried out other work, including to locate a kitchen and worktops that matched the existing kitchen. Mrs M continued to request updates on the progress of the claim.

Mrs M complained again. When LV replied, it accepted there had been service issues. It provided an update on the claim and offered £300 compensation. Mrs M remained unhappy with progress, so LV looked at the complaint again. It provided a further update on the claim and increased its compensation offer to £500. Following continued concerns raised by Mrs M, LV reviewed the claim again. It accepted that there had been delays caused by poor claim handling. It increased its compensation offer to £800.

Mrs M referred her complaint to this Service. Our Investigator didn't uphold the complaint. She said there were avoidable delays, but LV continued to work on the claim. She said, overall, the claims process could have been quicker. However, LV's apology and the £800 compensation it offered was fair.

Mrs M didn't agree this fairly addressed her complaint or the impact on her of how her claim was handled. So, the complaint was referred to me.

I issued my provisional decision on 4 October 2024. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

From what I've seen, LV accepts there were issues with progressing the claim and that it provided a poor service. The main issue seems to be what is an appropriate level of compensation.

I've looked at the records for this claim, which includes Mrs M and her husband's contact with LV and its contractors. Mrs M reported the claim in March 2022. A few weeks later it was agreed that strip out works would need to be carried out so the property could be dried.

A company was appointed to do this work. Options were also discussed with Mrs M in terms of moving to alternative accommodation or having a temporary kitchen. This was with the expectation that the work would take about two months. Mrs M opted for a temporary kitchen. The temporary kitchen was arranged and installed. Looking at the records, there then seemed to be a slight delay in starting the works due to a miscommunication between the kitchen company and the company doing the strip out work. Once the strip out work was complete, drying commenced and was signed off a couple of weeks later.

In August 2022, Mrs M and her husband asked for a timeframe for when the works would be completed. The loss adjuster told them a schedule would be prepared and shared with them. This required the scope of works to be completed. In October 2022, this was completed. But, a couple of weeks later, it had to be updated again because it didn't include the hallway or landing. The contractor who prepared the scope also said a surveyor had left. LV said a new surveyor was being appointed who would need to go through the works with Mrs M. It was then hoped a date would be agreed for the works to be booked in. I'm aware that during this time, Mrs M was also concerned about what was going to happen about the matching items in the kitchen that weren't damaged as part of the incident. This was discussed while the scope of works was being drawn up and some of the information was relevant to the scope of works, as it affected what was included. I think it can take time to create a scope of work, which could only start when the drying was complete, but I think there were some delays here. This included because items were missed from the scope and because a new surveyor was appointed.

The loss adjuster then, on multiple occasions, chased the company that was going to carry out the work for an update, including on whether it had ordered the worktop. The company said measurements would need to be confirmed. The loss adjuster queried this as he understood that a site visit had taken place a couple of months earlier. The loss adjuster then followed this up with LV and said the company that was due to carry out the works had now said the scope of works wasn't finalised because the measurements were needed. The loss adjuster asked LV to review what was happening with the contractor.

In January 2023, the loss adjuster also provided an update to LV. This included that the claim appeared to be "at a standstill with the contractors who should have been in a position to begin works on this claim months ago but we kept having unexplained delays from them and multiple visits to site which don't lead to any further progress despite chases, complaint and [LV] being informed". Although I think there was work going on, such as creating the scope of works, this seemed to be taking a significant amount of time. I also think that if the loss adjuster, who was actively involved in managing the claim, couldn't understand what the issues were then it would have been even less clear to Mrs M.

I'm also aware that the temporary kitchen was installed in July 2022 with an expectation that the works would take up to two months to complete. But about four months after the work had been expected to be completed, the scope of works still wasn't finalised and there was no date on which the works were expected to start. As part of that, I am aware that Mrs M disagreed with things like the settlement offered for the undamaged worktops, but I don't think the records indicate this had a significant impact on the claim progress.

The scope of works was completed in late January. In mid-February, 15 March was booked in as a provisional date to start the work. Mrs M and her husband continued to raise concerns with LV. They said it was evident that no-one was handling their claim and said it had now been 12 months since they had logged their claim. Although I think steps were being taken to manage the claim, I can understand that Mrs M and her husband were concerned. Mrs M became so concerned about whether the works were going to start on the agreed date that she contacted the kitchen company and was told the kitchen hadn't been paid for and this needed to happen before it could be ordered. After some discussion, it was

agreed that the kitchen would be cash settled by LV because it would be quicker for Mrs M to pay the kitchen company directly, rather than for LV's contractor to pay the kitchen company. From what I can see, steps hadn't been taken by the contractor to ensure the kitchen was ordered or would arrive when the work was due to take place. The date for starting the works also changed to 18 April. It's my understanding that the works have since been completed.

I think there was a lack of progress on this claim and for reasons that aren't entirely clear from the records. The loss adjuster seemed to try and regularly progress the claim, mainly by chasing the contractor that was going to do the work, but this didn't seem to move it forward. Mrs M had to keep pushing for progress and spoke to companies herself to try and get the claim to a point where the work could start. I also note that when LV looked at the delays, it seemed to think the drying was completed in October and was concerned by the lack of progress since then. But, according to the records I've seen, the drying was completed in August, which meant there were about two more months where it wasn't clear why the claim wasn't progressing.

I'm also mindful that during most of the claim, Mrs M had a temporary kitchen. It was installed in July 2022, for what was meant to be two months, but it remained at the property until May 2023, which was considerably longer. Although Mrs M had cooking facilities, I think the temporary kitchen, which I've seen a photo of, wasn't an ideal way to prepare food for 10 months. I also think that if LV or Mrs M had known how long the claim was going to take, neither was likely to have thought relying on a temporary kitchen was the ideal solution.

Mrs M has also explained the impact on her from living in a home that was very disrupted because of the claim damage and the strip out work, including that she had to use a temporary kitchen and had a lack of flooring for such a long time. She has also explained the anxiety she experienced because of the lack of progress on her claim and that she and her husband needed to chase it so much. I don't think LV has been able to adequately explain why the claim took so long or the reasons for the delays. I also don't think the compensation it offered fairly reflects the impact on Mrs M. Thinking about our normal approach to compensation, I think it's final offer of £800 compensation is at the lower end of what I would normally expect in terms of the types of issues I've seen as part of this claim and complaint. I think that £1,200 more fairly reflects the impact on Mrs M. So, I currently intend to say it should pay this amount, which includes the £800 it previously offered.

I asked both parties to send me any more information or evidence they wanted me to look at by 18 October 2024. LV replied and said it would accept my decision. Mrs M replied and said she had no further comments.

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 uphold this complaint and for the reasons given in my provisional decision. As part of that, I've reviewed this complaint again. I haven't found any reason to change my view about what is a fair and reasonable outcome to this complaint, including the level of compensation.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require Liverpool Victoria Insurance Company Limited to pay Mrs M a total of £1,200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 19 November 2024.

Louise O'Sullivan
Ombudsman