

The complaint

Ms B complains LV treated her unfairly in relation to a claim she made on her buildings insurance policy. In particular she doesn't feel it's made reasonable adjustments to accommodate her and her children's disabilities.

What happened

In December 2023 Ms B contacted LV to claim for an escape of water. Ms B is unhappy with the way LV has handled the complaint. In particular she's unhappy with the following:

- There were significant delays at the start of the claim.
- She doesn't think LV handled her alternative accommodation request fairly. She said her and her children are neurodiverse and had some very specific requirements to ensure a fair, safe and reasonable continuation of their life while out of their home. And she said the properties LV provided didn't cover all their requirements. She provided details of another property which, while larger than hers, did fulfil the requirements she needed.
- She thought LV was treating her unfairly and exasperating her disabilities. She said she was forced to provide copies of her and her children's medical details.

LV acknowledged it had caused around 16 weeks of delays at the start of the claim and it offered to pay £500 in compensation for that. But it didn't think it had handled Ms B's alternative accommodation requirements unreasonably. It said the properties it had sourced were of similar stature to Ms B's own property and it said it would pay for additional costs – such as any additional transport required and to transport any required furniture and equipment to minimise any impact. Ms B didn't agree so she referred her complaint to this Service.

Another Ombudsman issued a provisional decision and said the following:

“Agreement couldn't be reached in relation to this for a number of reasons, but I don't think it is overly necessary to go into detail here – first of all, the parties concerned are aware of the differences they hold and, secondly, things have moved on.

Furthermore, it is difficult for me to consider issues which have arisen since LV issued their final response letter, since I consider there to be a possibility of a further complaint regarding those and potentially regarding things which have yet to happen.

What I've provisionally 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 appreciate my limiting the scope of this decision may be disappointing to one or both parties, but I think it is the right thing to do – given the unusual circumstances. My intention here is to issue a decision which helps things move forward, because I don't think anything can be truly final until the claim is complete.

That means my decision won't go into all the ins and outs of the alternative accommodation cost, location and amenities. So, what I've considered is whether or not LV treated Ms B in a reasonable manner up until their final response was issued.

I note Ms B has suggested postponing the remedial work due to two of her children having exams approaching. I can well understand why, because she's trying to minimise disruption to them at what is a very important juncture in their lives. I don't think this is unreasonable. I accept LV has some concern about this due to Ms B having previously complained about dampness and mould in the property causing further health concerns. But I don't think it's for me or them to necessarily question what she thinks is best for her children.

That said, I do believe that it would be reasonable for LV to arrange a further inspection of the property and – at the very least – provide some cleaning, pest removal or temporary repairs to alleviate any immediate risks. I appreciate that that alone may entail the family having to spend a short period of time in alternative accommodation. But if it's only a short time then I think the disruption will be lessened in this initial period, compared to when full repairs commence, and so I'd suggest the parties be as flexible as possible.

That said, LV ought still be alive to the different needs that Ms B and her family have so as to make the process as smooth as possible. Ms B has suggested she may employ the services of a loss assessor to help to move the claim forward (I note she engaged the services of one before, but I don't know whether that is ongoing). Using a loss assessor may well be helpful, but I ought to let Ms B know that is likely to come at a cost so she should check any agreement she makes carefully. Furthermore, there are some limitations on what we're able to do if a dispute later arises with a loss assessor.

I appreciate this doesn't cover everything that has been complained about, but – as explained – that is because things have moved on since the initial complaint to LV and the more recent issues would be better considered separately under another case. Of course, that might not become necessary and my setting the wheels in motion could help to get it all back on track, even if that may seem unlikely at this stage.

But whether or not accommodation previously suggested (by both parties) will be available and at what price will need to be reconsidered once the longer period of lasting and effective repairs has been scheduled in. There are a number of factors which could change and so I'm not minded to make a decision on that at this stage.

Turning to compensation for distress and inconvenience. The claim was made toward the end of 2023 and the final response wasn't issued until 22 May 2024 – by which point it seems little progress had been made and no repairs had begun. I recognise LV accepts that there were avoidable delays and offered £500 compensation. I don't consider that to be enough in the circumstances, bearing in mind they were aware of Ms B and her children's conditions at the beginning of 2024, if not before.

Those conditions would only heighten the distress and so a more substantial award is warranted to cover the period outlined above. I don't think it is unreasonable to suggest £2,000 would be a more appropriate figure."

Ms B was broadly in agreement with the Ombudsman's conclusions. And she said she thought the claim should be settled as follows:

"1. Immediate Cleaning and Inspection:

- The property was deep-cleaned earlier this year by Rainbow; however, there are still issues, such as bugs seen on the middle-floor landing. I'd like to arrange another deep*

clean as part of the temporary measures suggested by the Ombudsman to make the home more liveable until full repairs can be completed.

2. Settlement of the Claim:

- Due to my children's upcoming A-level and GCSE exams, I cannot commit to a fixed period of four consecutive months away from the home. This scheduling challenge, combined with the disruption caused by their exam timetables, means I need greater flexibility to manage the timing of the repairs.*
- With this in mind, I propose reassessing the full cost of the damage to update the quote for repairs. Could you please work on this and liaise with the insurer to ensure it accurately reflects the current scope of work?*

3. Lump-Sum Pay out Proposal:

- The alternative accommodation (AA) costs have already been quoted at £50,000. I'd like to suggest a lump-sum pay out from the insurer that includes:*
 - The updated total cost of all repairs (previously around £45,000, but this may need adjustment based on the new assessment).*
 - £50,000 for alternative accommodation.*
 - £2,000 for distress and inconvenience, as recommended by the Ombudsman."*

LV responded and asked that this Service make a finding on what should be paid for alternative accommodation as to not do so would only cause issues in the future. It also queried why the Ombudsman had awarded £2,000 and is concerned that this sets a high expectation for the future. It said it was also broadly in agreement with the Ombudsman's recommendations surrounding Ms B staying in the property for the time being. But it said it was prepared to inspect the property again, but only if this is approved by Ms B's loss assessor as we would not want to risk the contract terms they have agreed on to be breached.

Since the Ombudsman issued his provisional decision he has unfortunately become unavailable. So to avoid any impact and delay the complaint has now been passed to me to decide.

I issued another provisional decision and I said the following:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Firstly, it seems all parties are largely in agreement with the Ombudsman's findings around what LV should do in the proceeding months to allow Ms B and her family to reside in her property until the end of her children's exams. So I don't intend to comment on this further other than to say I also agree with the Ombudsman's conclusions regarding this.

The outstanding issues for me to consider now are whether LV has handled Ms B's alternative accommodation requirements fairly and whether the £2,000 in compensation is fair. I shall address them separately.

Alternative accommodation

I agree with the Ombudsman's conclusion that it's not appropriate for this Service to consider what LV should do in the future – including what alternative accommodation it should provide when Ms B and her family do later move out of the property. I also note Ms B has made some propositions for what LV should do to settle the claim. But it's not for me to

comment on that. In this decision I am only going to comment on LV's actions up to it issuing its final response letter in May 2024. So I'm also in agreement with the Ombudsman regarding that. However, part of Ms B's complaint LV considered in that final response letter was whether it was fair for LV to not agree to allow Ms B to move into the property she desires. So I have considered that here.

Ms B has set out she has some very clear and distinct requirements to support her children with the challenges they'll face from moving out of their home owing to their neurodiversity. In summary she's set out they are as follows:

- Her daughter is home-schooled so needs a suitable place for her to study. But this means any property she moves into needs to be sufficiently close to enable her to take her other children to school and return home in a quick time to minimise the time her daughter is at home without her.
- Her daughter can occasionally have a psychosis episode which can result in significant noise and disruption. She showed the council paid to install soundproofing into her home to minimise the impact to others where her daughter had such an episode. And she said any other property will either need similar soundproofing or rooms be suitably distanced apart.
- Her son will occasionally walk home from school or go to the gym – often at times when her daughter was having an episode. She said, while LV said it would cover the cost of alternative transport, she lived in a rural area so there was no public transport and limited access to taxis. And she said the properties LV was suggesting were too far away to enable her son to continue to do this. She said this would mean a total walking commute of nearly 1.5 hours one way, compared to the 45-minute walk to the property she had found and suggested.
- Any property would need to have two separate shower rooms as her eldest child requires daily water therapy as a part of his sensory needs, via occupational therapy.
- The property would also need to have a minimum of three toilets and two living rooms and an electric vehicle ('EV') charging point.
- The kitchen needs enough space for two refrigerators to accommodate a designated gluten free section for her son and the safe storage of the foods needed for his dietary requirements.

Ms B believes LV has breached The Equality Act 2010 ('the Act') in not agreeing to provide a property that will accommodate all this. However, LV maintains the properties it's sourced are suitable. It said the property Ms B was seeking to move into was a ten bedroom sizeable property which was significantly larger in size to her current property. It said this property would cost around £12,000 per month which was twice as much as the properties it was suggesting which it considered to be suitable and accommodated Ms B's requirements.

I should first state that this Service isn't the regulator. So it's not our role to direct LV generally about how it conducts its business. But I can look at whether it has treated Ms B fairly. It's also not our role to say whether a business has acted unlawfully or not – that's a matter for the Courts. Our role is to decide what's fair and reasonable in all the circumstances. In order to decide that, however, we have to take a number of things into account including relevant law and what we consider to have been good industry practice at the time. So, although it's for the Courts to say whether or not LV has breached the Equality Act 2010, we're required to take it into account, if it's relevant, amongst other things when deciding what's fair and reasonable in the circumstances of the complaint.

The policy sets out that it will do the following:

"If your home becomes uninhabitable following loss or damage covered under Buildings, we'll pay up to £50,000 during the period of insurance for:

- the extra cost of similar alternative accommodation for you, your family and your domestic pets; or
- loss of any unrecoverable rent;
- the reasonable storage costs for the duration of the repairs.”

I note Ms B has suggested LV pays her £50,000 for alternative accommodation but critically the policy says it will pay up to £50,000. It doesn't mean that's what she is entitled to in every claim. Furthermore, it says it will pay for “similar alternative accommodation”. So LV was required to arrange a property that was similar to Ms B's property.

Ms B had a four bedroom semi-detached property, albeit with a number of adaptations to accommodate her and her children's neurodiversity requirements. So LV was required to arrange a property similar to this.

I note Ms B has said the only property that would cover this is the property she sourced, but I cannot agree with that. That property was a ten bedroom property and significantly larger than her own property – a four bedroom semi-detached property. Conversely I can see that LV said it had sourced a fully detached property which had four bedrooms, two bathrooms, three toilets and two living room spaces. It said this was around 4.4 miles from her home and in Ms B's preferred direction. LV also said it would arrange a second fridge, her electric piano to be professionally moved or it would rent a piano and it would ensure she had access to an EV charger. Finally it said it would cover any costs incurred through additional travel including taxis or public transport.

I have read and considered Ms B's objections to LV's proposals, but I don't think LV is being unreasonable. The Act is relevant here and I've thought how it applies in Ms B's case. The Act prohibits several types of discrimination – such as direct and indirect discrimination and victimisation – and the relevant protected characteristic here is disability.

The Act also required LV to make reasonable adjustments to accommodate Ms B's disability. But this doesn't mean it has to do everything to adjust for it. And, as I said above, it's not for me to say whether LV's actions do amount to a breach of The Act, but whether it's acted fairly and reasonably, taking into consideration the language within The Act. Further to The Act, LV also had a duty to avoid Ms B suffering foreseeable harm.

In essence, LV has to be mindful of the impact relocating Ms B and her family will have on them given their neurodiversity. And LV does need to take all reasonable steps to accommodate their situation. But, at the same time, it also needs to be recognised that there will always be some impact arising from a claim and in some cases significant impact. The question for me to ask is whether I think LV took reasonable steps to minimise this impact. In terms of alternative accommodation, I think it did and I'll explain why.

As I said, Ms B set out a number of criteria an alternative accommodation would have to satisfy to accommodate their specific situation. While I note and have fully considered Mr B's comments regarding this, I think the properties it was proposing did cover this. I recognise Ms B has said the property didn't have soundproofing and was too far away. But I'm also conscious the property she was asking LV to pay for when she went on holiday to America didn't have soundproofing, nor did the property she was suggesting LV paid for while she was out of the property. The property LV sourced was a detached property so, while I understand her concerns, I can't say this alone makes the property unsuitable.

I've also considered her concerns surrounding the distance from her son's school and gym. She said her son walks, but she's also set out that he also cycles to and from school or the gym. And the additional distance is just around 1.5 miles. Furthermore, while I note Ms B's comments that alternative transport was unavailable, I can't agree it would never have been

available and LV has said it would cover any costs relating to this. I also can't agree that this additional distance means it's unsuitable for the additional driving – which I don't consider to be significant – she'd have to do to take her son to school while her daughter was being home-schooled.

So, taking everything into consideration, I can't say it was unreasonable for LV to say this property wasn't too far away. Ultimately, as I said, there will always going to be some impact from making a claim of this magnitude. And there does have to be a degree of compromise. I do think LV has understood and considered Ms B's concerns and challenges. I also naturally sympathise with the situation she's in and I fully appreciate the profound impact this incident will have had on her and her family. But I do think LV has taken reasonable steps to accommodate her situation. And I can't say it was unreasonable for it to have not been willing to cover the property she wanted to move into.

Compensation for distress and inconvenience

LV has queried why the Ombudsman awarded £2,000 in compensation for the delays it caused in the claim and is concerned about the precedent this could set. But this Service will always consider each complaint on its own individual merits and no one complaint is the same. And in considering compensation, we will always think about the individual impact that arises.

The Ombudsman explained why he awarded such a high level of compensation and I agree with his rationale. In this case, the specific circumstances relating to Ms B and her family have to be taken into consideration. LV has acknowledged its agent delayed the claim by around 16 weeks – which I think is accurate.

I can see Ms B was continually having to contact LV and its loss adjuster to try and move the claim forward. In this time she and her family were living in a property damaged by the escape of water. Taking the specific circumstances and higher potential for harm owing to Ms B and her children's neurodiversity, I think £2,000 is fair compensation in these circumstances."

Ms B didn't agree with my provisional decision and provided a detailed response. But, in summary, she said the following:

- LV had misrepresented the distance the properties were from her son's school. She maintained the property she'd sourced was the only property within a manageable distance for her autistic son. Anything further would have caused significant distress and disruption to his established routine.
- The property she sourced was within the £50,000 limit the terms of the policy allows for. She said LV's delays has caused unavailability of suitable properties.
- She maintained the property she sourced was the only suitable property to cover her requirements. She reiterated it wasn't a matter of her seeking more, but ensuring the property had sufficient suitability for her children's needs, which smaller properties could not meet.
- She thought it was unfair for me to compare the property to her holiday rental. She said this was for a 10 day short stay and the stressors on her autistic children during a brief holiday are fundamentally different from relocating long-term to an unsuitable property while maintaining education, routines, and a sense of stability whilst strangers are in their home. she said this was a huge issue for an autistic person as it's their safe space.
- She set out that LV's delays and refusals have caused a chain of events where it may mean its years before her home is fully repaired.
- She said she specifically chose LV as it offered an upgrade to more comprehensive coverage, including a higher alternative accommodation limit.

- She highlighted the significant impact this matter has had on her and her family.
- She maintained her proposed resolution is fair.

LV didn't respond to my provisional 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.

I've read and considered Ms B's additional comments, but I don't think she has raised anything she hasn't raised before. And I had considered all of the points she's raised previously.

In particular, as I said in my provisional decision *"I note Ms B has suggested LV pays her £50,000 for alternative accommodation but critically the policy says it will pay up to £50,000. It doesn't mean that's what she is entitled to in every claim. Furthermore, it says it will pay for 'similar alternative accommodation'. So LV was required to arrange a property that was similar to Ms B's property."*

The property she was looking for LV to pay was not a similar alternative accommodation. So LV was not being unreasonable in saying it wouldn't pay for that. I recognise why Ms B strongly disagrees with this. And, as I said before, LV had a responsibility to ensure it made reasonable adjustments to support Ms B and her family as well as avoid foreseeable harm. But I'm satisfied my provisional decision explains why I don't think LV was being unreasonable in the way it was looking to arrange alternative accommodation for Ms B and her family.

Ms B's set out that she's now been living in a damaged property for a year now. As I said, LV did cause some delays at the start of the claim. And I think it should fairly compensate her for this – hence awarding a significant compensation award of £2,000. But a significant reason why the repairs weren't started is because of the dispute regarding the alternative accommodation. And, as I said, I don't think LV was being unreasonable in this regard.

Ultimately I don't have anything further to add to what I'd set out previously in my provisional decision.

My final decision

For the reasons I've set out above, I uphold this complaint and require Liverpool Victoria Insurance Company Limited to do the following to put things right:

1. Inspect the property and arrange for any reasonable cleaning and/or temporary repairs to be done so as to put it in as liveable condition as possible until permanent repairs can be done.
2. If that requires a period of alternative accommodation, Liverpool Victoria Insurance Company Limited should work with Ms B and her loss assessor (if she chooses to use one). The considerations to be made on suitability ought to include her and her family's personal circumstances so as to keep any disruption to a minimum.
3. Pay Ms B a total of £2,000 for the distress and inconvenience caused (sums previously offered/paid can be considered as part of the £2,000).

I don't award anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 28 January 2025.

Guy Mitchell
Ombudsman