

The complaint

Mr and Mrs H complain that Liverpool Victoria Insurance Company Limited (“LV”) unfairly declined their claim for the reason of poor workmanship, under their home buildings insurance policy.

I’ll refer to Mr H for ease.

What happened

Mr H employed a contractor to replace his rear patio, retaining walls, steps, and install a new path and driveway. This work was completed in May 2024. Shortly after, during a period of heavy rain, the patio was noticed to be ‘ponding’ water. Mr H says he also noticed other issues with the work.

Mr H arranged an inspection from an expert witness with experience in patios and driveways. He says the expert found that large parts of the work had to be re-done.

Mr H contacted LV to make a claim under an accident damage cause. But he says this was declined by the agent he spoke with on the basis of the damage resulting from poor workmanship. Mr H says the policy is set out by different ‘perils’ and each has its own exclusions. He says the exclusion LV referred to relates to subsidence or heave or landslip. This doesn’t apply to accidental damage claims.

In its final complaint response LV says the exclusion it refers to applies to all sections of Mr H’s policy. It paid him £100 for a delay in responding to his complaint. But it maintained its decline decision.

Mr H didn’t think he’d been treated fairly and referred the matter to our service. Our investigator didn’t uphold his complaint. He didn’t think Mr H had shown his claim was the result of accidental damage. He says he can understand why Mr H thought LV’s exclusion didn’t apply given the document he referred to. But he highlights LV’s policy terms and conditions booklet that say faulty workmanship is excluded from cover.

Mr H didn’t accept our investigator’s findings. The complaint has now 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.

Having done so I’m not upholding Mr H’s complaint. Let me explain.

It’s for the policyholder to show that they’ve suffered an insured loss. If they can then, generally speaking, the insurer should pay the claim. This is unless it can reasonably rely on a policy exclusion not to. I’ve thought carefully about what this means for Mr H’s claim.

Mr H's policy defines 'accidental damage' as:

"damage caused suddenly by external means which is not expected and not deliberate".

Mr H confirms his patio is 'ponding' water because it wasn't constructed correctly. I haven't seen an expert witness report. But Mr H is clear that his expert sites poor workmanship as the cause of the issues with his patio, and with the wider work he had done. I don't think this reasonably falls within an accidental damage cause. The ponding was caused by poor workmanship. Mr H says this was the result of inadequately fitted drainage. Again, this isn't accidental damage as a result of a sudden event. It's the result of poor workmanship by the contractor Mr H employed.

I've read Mr H's policy terms in full. I can't see that there is any other cover for this eventuality.

The exclusion LV referred to in its decline decision is taken from the renewal documents Mr H was sent. Page seven sets out that damage caused by poor workmanship is excluded. I note what Mr H says about each peril having specific exclusions. As an example, he says 'fire' carries no exclusions. He says accidental damage has several exclusions, but poor workmanship isn't one of them.

I note what Mr H says. But the information he was sent at renewal tells him there are several documents that make up his contract of insurance. It says he should read them all. If this information isn't correct he should contact LV immediately as this may impact on claims being paid out. One of the documents highlighted is LV's terms and conditions booklet. It says this document includes definitions as well as general exceptions and conditions. It goes on to say that this in addition to those shown under each heading in the renewal document.

LV says it has no reason to believe the terms and conditions document wasn't sent to Mr H. It says it received no contact from him to say this hadn't been received. LV refers to an earlier complaint Mr H had raised where it provided a link to where he could access this information online.

LV's policy booklet includes a section that reads, *"General Exceptions – These apply to the whole of the contract and must be met by you and any other person covered by this insurance"*. On the next page it says LV will not pay for any claim relating to faulty design, materials, or workmanship.

Having considered this information, if Mr H didn't receive a copy of the policy booklet he should have contacted LV to request it. Similarly, how to access this information was confirmed to him when he made a previous complaint. So, I think this information was available to Mr H. This exclusion is commonly used in insurance policies. Even if Mr H was aware of it, I think it's unlikely he will have found an alternative buildings insurance policy that provides cover in these circumstances.

In summary, I'm not persuaded that Mr H has shown he suffered an insured loss. But even if there was an insured cause, this is defeated by the general exclusion for poor workmanship, which is the underlying cause here. So, I can't fairly ask LV to do anymore.

I note LV paid Mr H compensation for its delayed complaint response. But as complaint handling isn't in itself a regulated activity, I can't comment on this in my decision.

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 Mrs H and Mr H to accept or reject my decision before 17 April 2025.

Mike Waldron
Ombudsman