

The complaint

Mrs C has complained that Liverpool Victoria Insurance Company Limited (LV) unfairly declined part of a claim under her home insurance policy.

Mrs C is represented in the claim and complaint by Mr C who, for ease, I will normally refer to in my decision.

References to LV include companies acting on its behalf.

What happened

Mrs C contacted LV to make a claim when water came through their kitchen ceiling. Mr C arranged for a plumber to stop the leak. The plumber removed the bath, sink, vanity unit and flooring, all of which were disposed of. When LV asked about the extent of the work carried out, Mr C said LV had told him he could remove the bathroom. LV asked Mr C to provide evidence that the bathroom items had been damaged and couldn't be refitted.

LV and Mr C continued to discuss how the leak had been accessed and whether the work was necessary. LV put a cash settlement offer for the repairs it considered were covered by the claim and at the cost to itself for the work. This was for less than the costs Mr C had obtained for his own contractor to do the work.

Mr C complained. When LV replied, it didn't uphold the complaint. It said it had explained what it assessed was covered by the claim and had made its settlement on that basis. So, Mr C complained to this Service. Our Investigator didn't uphold the complaint. She said Mr C hadn't shown that the extent of work carried out to locate the leak and the removal of the bathroom was necessary. She said LV's offer to settle the claim was reasonable in the circumstances.

Mr C didn't agree. So, the complaint was referred to me.

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 don't uphold this complaint. I will explain why.

The main focus of this complaint is whether LV's cash offer to settle the claim was reasonable. Mr C's quote for the work was about £11,000. LV offered £1,913.90 and for a more limited range of work than was in Mr C's quote. This was the amount it would have cost LV to carry out the work it assessed was covered by the claim.

The records showed LV offered to carry out the repairs. Mr C said he wanted a cash settlement. The policy said:

"Cash payments

If we can offer a repair or replacement through one of our suppliers and you choose not to have the item repaired or replaced or you wish to use your own supplier, we will not pay more than the amount we would have paid our supplier"

So, I think it was fair that LV offered the cash settlement based on its costs to carry out the work. However, LV and Mr C were also unable to reach agreement on the work and repairs that should be covered by the claim. This was because LV assessed that it was unnecessary for the bathroom to have been removed and disposed of in order to deal with the leak. So, I've also thought about this.

Under the policy, LV was required to put Mr C back in the same position he was in immediately before the claim. It also only needed to pay to repair damage covered by the policy. I've seen photos of the bathroom after Mr C's plumber carried out work to locate the leak. The bath, vanity unit, sink and flooring had been removed. They were then disposed of. I've seen photos of the vanity unit and sink and the bath, all of which were outside the house. The bath had been sawn in half. From what I could see, there was no obvious damage to the vanity unit or sink.

LV didn't think these items, or the flooring, needed to be removed at all. It said all that needed to be done in the bathroom was for the bath side panel to be removed. This would then have shown that the pipework couldn't be accessed that way. Instead, the pipework needed to be accessed through the ceiling below. It's my understanding that Mr C didn't want the kitchen ceiling to be cut because he had just had a new kitchen installed. It was Mr C's home and I can understand he might not want work carried out in that way. However, I'm not persuaded it would be reasonable for me to require LV to pay the costs of a more extensive repair because of this.

I've also looked at the photos, Mr C's quote for the repair work and LV's scope of works. It's my understanding that the kitchen ceiling was damaged by the water leak. I've also seen a photo that showed a hole cut into the ceiling, which indicated it was necessary to gain access through the ceiling anyway.

From what I've seen, the only bathroom item that was necessary to remove was the bath panel, which I would generally expect to be an item that could be refitted. I haven't seen anything to show why it was reasonable to remove the bath itself, the sink, the vanity unit or the flooring. But, even if I thought it was reasonable to remove at least some of those items, I would normally expect them to be refitted. Where this wasn't possible, I would expect to see evidence of the damage to the items and why that was unavoidable when the item was removed.

I'm aware Mr C has said the bath was concreted in place, which made it difficult to remove, and it was cut in two. However, I'm not persuaded this showed the bath needed to be replaced. There was another way to access the pipe, which was through the kitchen ceiling.

Mr C has also said LV told him he could remove the bathroom. While the plumber was at the property dealing with the leak, Mr C spoke to LV's out of hours service. Mr C was transferred to a loss adjuster. They discussed the work required. There is no call recording of what was discussed. Mr C said the loss adjuster told him he could remove the bathroom. He said he had several witnesses to this. The loss adjuster has said she told Mr C he should access the leak through the ceiling. When Mr C said he didn't want to do this, she said if there was no other way to do it, to make access via the bathroom but to make as little damage as possible. I don't know exactly what was discussed. But if Mr C wasn't willing to allow access through the ceiling, I'm not sure what option the loss adjuster had but to say to try and access the leak through the bathroom. However, I don't think that meant LV had to cover the

work or the costs involved regardless. It was still entitled to assess the work carried out and whether it was necessary.

Mr C has also said the person LV later sent to assess the repair works required wasn't suitably qualified. He said the person was a decorator, not a plumber. I'm mindful that Mr C had already had the plumbing works carried out and that LV wasn't assessing how to carry out that work. LV also had access to a range of other information in order to assess the claim, including Mr C's information about what happened, the loss adjuster, Mr C's plumber and photos of the bathroom and the kitchen. From what I've seen, LV assessed all that information in deciding how to settle the claim. I've not seen anything that persuades me the person who visited Mr C's home needed to be a plumber or that it made a difference to the claim outcome that they weren't one.

When LV made its offer to settle the claim, it did so based on the work it assessed was necessary to access the leak and to deal with the water damage. In the circumstances, I think that was fair. I'm not persuaded LV needs to pay any more to settle this claim.

So, having thought about everything that happened, I don't uphold this complaint or require LV to do anything else in relation to it.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 18 April 2025.

Louise O'Sullivan
Ombudsman