

## **The complaint**

Mr S complains about Liverpool Victoria Insurance Company Limited's handling of a claim he made on his home insurance policy.

Liverpool Victoria Insurance Company Limited (LV) has been represented on the claim by its agents. All references to LV include its agents.

## **What happened**

The facts of the complaint are well known to all parties, but I've summarised the information below.

Mr S had a home insurance policy with LV. In January 2023, he reported water ingress into his property.

LV carried out various inspections, including drainage repairs, before it accepted a claim for accidental damage to Mr S's building. After a cash settlement was agreed, repairs started in February 2024.

LV covered the cost of alternative accommodation (AA) from February 2024 to August 2024. And in August 2024, after the repairs had been completed, Mr S was able to return home.

Mr S complained to LV about the handling of his claim and the delays it caused. He was unhappy with the poor communication and lack of action. He said LV's actions caused him mental stress and affected his health. He also said he had to close his business on some days during the claim, to be home for appointments, so he suffered losses.

LV issued a complaint response in October 2024. It accepted there had been poor communication and mishandling of the claim throughout, and Mr S's expectations hadn't been properly managed. It also accepted there had been significant delays. It paid Mr S £1,000 compensation in recognition of this.

Mr S referred his complaint to the Financial Ombudsman Service. He felt LV's compensation payment wasn't sufficient.

The Investigator accepted there had been significant errors and delays LV was responsible for, including poor communication. But they said the £1,000 compensation LV paid was fair in the circumstances.

Mr S didn't agree. Although he didn't dispute the facts or history as outlined by the Investigator, he felt compensation of around £3,000 would be fair. So he asked for a final decision by an Ombudsman.

## **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.

It's not in dispute that LV caused significant delay in the resolution of Mr S's claim, or that it communicated poorly and provided very poor service. Mr S has also said he lost out financially as a result of LV's actions. The issue for me to decide is fair resolution in the circumstances, considering what LV did wrong and the impact on Mr S.

Mr S notified LV of the claim in January 2023, and it wasn't until February 2024 that the insured repairs were able to start and Mr S was moved to AA to allow for this. This amounts to a period of over a year, and I consider this a clear indication of significant avoidable and unreasonable delays on LV's part.

In particular, this includes LV's delay in removing cladding at Mr S's property. Mr S said this requirement was identified in around May 2023, and I've no reason to doubt this. But despite this, I can't see the cladding was removed till around October 2023, which then allowed Mr S to obtain a quote for the insured repairs through his builder.

Mr S, through his builder, also notified LV in early June 2024 of damage to the kitchen units, and it took LV till late June 2024 to agree to cover the cost of a replacement kitchen. I consider there was some delay here too.

It also took LV till around August 2023 to finally identify and confirm the cause of damage, which I don't consider was reasonable in the circumstances.

I'm also satisfied there were instances where LV's agents attended the property but didn't carry out a sufficiently adequate review. I consider an example of this is the first loss adjuster visit in March 2023. And it took just over two months for the second visit to take place.

Overall, LV accepts there was a distinct lack of action on its part, including its suppliers, and that despite the complexity of the claim, and severity of the damage, it shouldn't have taken as long as it did. Having reviewed the evidence, I agree with LV's conclusions, and I consider it didn't meet its requirements under the rules to settle the claim promptly.

In addition to the above, I've also seen other examples of poor service, for example, damage caused to Mr S's fridge freezer and oven door while in storage with LV's agent. I can see LV did agree and pay for the applicable replacement, disposal and installation costs, which I consider was fair. But I accept this would've caused Mr S distress and inconvenience.

I've also seen evidence of last-minute changes to agreed dates for things like appointments and delivery dates. For example, I can see LV's removal company agent accepted errors in arranging the contents delivery, to allow Mr S to return home after works had finished. I consider this too would've caused Mr S avoidable distress and inconvenience.

Mr S said he had to make contact to push the claim forward and wasn't given a clear timeline or sufficient clarity. LV accepts it communicated poorly with Mr S and didn't properly manage his expectations. Having reviewed the evidence, I agree with Mr S's complaint on this point, and I've kept this in mind.

In considering what's fair, I also need to take into account any unavoidable delays, and where LV did act reasonably. In doing so, I've kept in mind that this was a complex claim, with multiple areas of damage. I can see that LV did act in reasonable time at the outset, and carried out drainage repairs by around February 2023, before it continued to review any remaining causes and damage. I can see Mr S has also acknowledged this was a complex claim that would always have taken some time, even without delays.

I've also kept in mind that there were uninsured issues linked to the damage, that Mr S needed to address. The evidence I've seen shows there were damp proofing/waterproofing

works required at Mr S's property, which he was responsible for, before the repairs of the insured damage could be carried out. And I'm persuaded this work would've added to the overall time needed to resolve the insured damage. I don't consider it fair to hold LV responsible for this.

I've also seen evidence of delays I think can fairly be considered unavoidable. For example, once works had started in February 2024, damage was found to the kitchen and confirmed in June 2024 by Mr S's builder. This meant a replacement kitchen was required, which would've added to the overall repair time. I don't consider it fair to hold LV responsible for this, but I do think LV caused some delay in taking over three weeks to agree cover for the replacement kitchen. I've kept this in mind.

There were also delays to the non-insured works outlined above, as it was confirmed around March 2024 that these works were more extensive than initially anticipated. This too would've added to the overall time taken, and I don't consider it fair to hold LV responsible for this. I can see that LV did agree to contribute around £2,800 towards this uninsured work based on the resulting drying and plastering savings. LV wasn't required to pay this under the policy terms, so I think it acted fairly in agreeing to do so. I've kept this in mind.

LV agreed to cover the cost of AA for Mr S between February 2024 and August 2024, to allow for all the repairs to be fully completed. I think this was fair in the circumstances. But I can see there was some delay in extending the AA in August 2024, when LV initially refused to do this. Given that LV was responsible for some of the delays in the completion of repairs, I think it acted unfairly in initially refusing to extend the AA. And I think this would've caused Mr S some avoidable distress and inconvenience.

Mr S mentioned financial losses he incurred, because he is self-employed, and had to close his business on some days between January 2023 and February 2024. This was so he could be available for proposed appointments and scheduled dates (such as the delivery of contents). I've not seen sufficient evidence to persuade me Mr S suffered financial losses as a result of LV's actions. And I've not seen evidence to persuade me Mr S was left without a choice of dates other than those offered by LV and its agents – I think he could reasonably have asked for other dates that were more suitable for him. With the above in mind, and because I think LV would always have had to arrange the appointments and dates in order to progress the claim, I don't consider it fair to direct it to pay Mr S for financial losses.

As for non-financial losses, in his complaint to LV, Mr S said he had formed a health condition (involving inflamed skin) prior to the first Loss Adjuster being appointed in March 2023. Given that he'd notified LV of the claim in January 2023, and it is accepted this was a complex claim, I'm not persuaded LV could reasonably have ensured works were completed before Mr S experienced the condition. So I can't fairly conclude but for LV's actions, Mr S wouldn't have suffered the condition he did. But, because I agree LV did cause significant delay overall, I accept it prolonged Mr S's suffering unreasonably. And I accept the delays caused by LV meant Mr S had to live with the damage to his home, along with instances of bad smells, for much longer than was necessary.

What is also clear from the evidence is that Mr S has demonstrated a very high level of patience despite the issues. And I consider he has acted reasonably throughout the claim. I have a lot of empathy for him in his circumstances. It's clear he has been through an extremely difficult time, for the reasons I've outlined above.

In the circumstances, I'm satisfied that LV's mistakes caused Mr S substantial distress, upset and worry. This included disruption to his daily life over a sustained period, with the impact felt over many months. But taking everything into account, including the points I've mentioned above, I think LV's compensation of £1,000 is fair and reasonable in the

circumstances. So I won't direct it to pay more.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 August 2025.

Monjur Alam  
**Ombudsman**