

The complaint

Mr and Mrs B have complained about the standard of workmanship contractors of Liverpool Victoria Insurance Company Limited (“LV”) provided during repairs to their home following a claim.

LV accept they are responsible for the actions of their contractors. Any reference to actions of LV in this decision includes actions taken by their contractors.

What happened

The history of this matter is extensive and well known to the parties – so I won’t go into all the detail here. But, to summarise, in late 2022, Mr and Mrs B submitted a claim to LV for damage caused to part of their property. LV investigated and the damage was found to be caused by subsidence.

This has now been dealt with and LV arranged for repairs. These started in summer 2024. Mr and Mrs B weren’t satisfied with the standard of the repairs and complained to LV. LV inspected the property and found a number of areas of poor workmanship.

They explained to Mr and Mrs B that, where this type of issue occurs, it’s usual to allow the contractor to rectify what’s not been done correctly. However, Mr and Mrs B were reluctant to have the original contractor return to their home. So LV agreed to appoint an alternative contractor.

Unfortunately, this couldn’t be arranged immediately and communication issues meant there was a delay in starting the rectification works. At around the same time as the new contractor inspected Mr and Mrs B’s home, LV sent their final response to the complaint and paid Mr and Mrs B £500 to apologise for the poor workmanship and for the time it had taken to agree next steps.

Mr and Mrs B didn’t think this adequately resolved their complaint and brought it to the Financial Ombudsman Service. Our investigator reviewed all the information provided by both parties. Although she noted Mr and Mrs B were unhappy with how matters had progressed since the new contractor was appointed, she said this would need to be considered by LV as a new complaint. She was satisfied they’d acted reasonably in appointing a new contractor to deal with the rectification. But she thought they had delayed in doing this. And she thought that £500 wasn’t enough to recognise the distress and inconvenience this delay and the poor works had caused Mr and Mrs B. So she said they should increase the compensation payment to £750.

LV accepted our investigator’s view. Mr and Mrs B didn’t. So the matter’s been passed to me to make a 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.

Having done that, I'm upholding Mr and Mrs B's complaint. But I'm not asking LV to do more than they've already agreed to resolve it. I'll explain why.

I appreciate that Mr and Mrs B have been dealing with their subsidence claim and its effects for close to three years now. And, while I appreciate that, for them, this is a continuous issue, Mr and Mrs B have raised three separate complaints, of which this is the second. So I'm only looking at what was included in that complaint. That's consistent with our rules, which only allow us to consider a complaint that has first been considered by the business, and is referred to us within the relevant time limits.

I know Mr and Mrs B are concerned about what's happened since. But, because that's the subject of a separate complaint, I can't look at that here. Nor can I revisit the previous complaint Mr and Mrs B made about delays in getting the claim to the point of dealing with repairs.

My role is to decide if a business has treated its customer fairly and reasonably. If I don't think it has, I have to think about what needs to be done to put things right. That usually involves directing the business to put the customer back in the position they would have been, had nothing gone wrong.

This complaint is about the quality of LV's original contractor's workmanship. If nothing had gone wrong, LV's contractor would have carried out the repair works to a satisfactory standard. So, to put matters right, LV needed to take steps to have the repairs carried out to that standard.

I think they've already done that because, at the same time they sent Mr and Mrs B their final response to the complaint, LV appointed a new contractor to assess and rectify the poor work. As LV explained to Mr and Mrs B, it would be reasonable for the original contractor to be allowed to rectify the defective repairs. But I think LV's appointment of a new contractor was fair, given the lack of confidence Mr and Mrs B had in the original contractor to do this.

I understand that, unfortunately, the rectification work hasn't gone as Mr and Mrs B would have wanted it to. But, as I've said above, that's the subject of a separate complaint. So I can't take it into account when deciding a fair amount of compensation here.

Our investigator initially said the £500 compensation LV paid Mr and Mrs B was enough to compensate them for the poor workmanship and delay in arranging for an alternative contractor. She later recommended an increase to £750 to reflect that, as well as this, Mr B hadn't been able to use his home gym equipment in the garage because of the state in which the original contractors had left it. LV agreed to pay this amount, but Mr and Mrs B didn't feel it was enough to compensate them.

I've thought carefully about this point. I think £750 is a reasonable amount to compensate Mr and Mrs B for the issues raised in this complaint. And it's consistent with our published guidance, which says we may make an award of up to £750 in circumstances where:

"...the impact of a mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months...."

I'm satisfied the issues in this complaint fall within that category. So LV should pay Mr and Mrs B £750 compensation (inclusive of any sum already paid) to resolve their complaint.

My final decision

For the reasons I've explained, I'm upholding Mr and Mrs B's complaint about Liverpool Victoria Insurance Company Limited and directing LV to pay Mr and Mrs B £750 compensation (inclusive of any sum they've already paid in respect of this complaint).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 15 October 2025.

Helen Stacey
Ombudsman