

The complaint

Mrs F is unhappy that Liverpool Victoria Insurance Company Limited (“LV”) hasn’t settled her alternative accommodation claim following an escape of water at her home.

Mrs F’s representative dealt with the claim and complaint on her behalf. For ease of reading, I’ll refer only to Mrs F. Any reference to what Mrs F said, or what LV said, should be taken to include anything said on their behalf.

What happened

The background to this complaint is well-known to both parties, so I’ve summarised what I think are the key events.

Mrs F had a contents insurance policy underwritten by LV. Her home was flooded by an escape of sewage water from her bathroom while she was away. Due to the type of flooding, the water-damaged items, including Mrs F’s beds, needed to be disposed of. Mrs F moved into alternative accommodation (AA) while the property was repaired.

LV accepted Mrs F’s claim for the contents but, later, she complained about the settlement amount it paid. LV agreed it had paid her incorrectly and rectified its mistake, including interest. It was agreed that this settled her claim for the contents damaged by the escape of water.

Mrs F also claimed for the cost of her AA. She said she’d continued to pay her rent while she was unable to live in the property, and she was aware that her contents policy covered her for £15,000 towards AA. LV said it would need evidence of what the landlord’s buildings insurer had paid towards the AA, evidence of her rental payments for both her home and the AA, and the buildings insurer’s details.

Mrs F provided the details of her AA and rental costs, but she said she didn’t have access to the buildings insurer’s details. She said she hadn’t received any payments and asked LV to settle her AA claim for the full policy amount of £15,000, plus interest. Because LV wouldn’t pay anything towards her AA without the evidence it asked for, Mrs F complained.

LV issued its final response in which it said it needed a copy of the buildings insurance schedule in order to calculate what its contribution would be.

Unhappy with the response, Mrs F brought her complaint to us.

Our investigator didn't uphold Mrs F's complaint. She said LV hadn't declined the claim – it had simply asked Mrs F to provide the information it needed in order to determine its liability for AA in line with the policy. In the absence of that evidence, our investigator didn't think LV had done anything wrong.

Mrs F didn't agree and, in particular, she said she had no knowledge of, or access to, a buildings insurance policy. She asked for an ombudsman 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've decided not to uphold Mrs F's complaint for broadly the same reasons as our investigator. I'll explain.

The Financial Conduct Authority's rules (ICOBS 8.1.1) say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. Its guidelines also say that a business should provide support and help with understanding, and enable customers to pursue their financial objectives.

When reaching my decision, I've taken these rules into consideration, along with the evidence provided by both parties and what's likely to have happened in the circumstances.

The policy sets out the detail of the contract between Mrs F and LV. As Mrs F's complaint is about LV not paying for her AA, I've looked at the relevant part of the policy. On page 32 of the booklet, it says:

12: Alternative accommodation

If your home is made uninhabitable by any cause covered under contents cover the insurer will pay for:

- *the cost of similar alternative accommodation for you, your family and your domestic pets while you cannot live in your home; or*
- *rent you are responsible for paying.*

The most the insurer will pay is shown on the Policy Schedule which includes up to £9,000 for Kennel fees.

This excludes:

- *any costs you agree without our written permission; and*
- *any costs your family would have to pay once your home becomes fit to be lived in again.*

This suggests that AA will only be considered where the home is caused to be uninhabitable by one of the perils covered by the contents policy. So, for example, if all of the furniture had been damaged, it might be reasonable for LV to pay for AA until replacement furniture was arranged. In this case, while the beds were damaged, the furniture was not the main reason for the property being uninhabitable. The sewage water had damaged the fabric of the building and, until that was cleaned, repaired and dried, contents could not be replaced. So, I think it was reasonable that LV expected the buildings insurer to cover AA costs, potentially seeking a contribution from LV for the contents AA cover.

I note that LV hasn't said it isn't liable for any AA costs: it has said that it needs to validate its liability with the buildings insurer. Without that information, I'm satisfied that LV can't fairly

progress an AA claim.

I also note that the policy requires written permission for AA costs incurred. I haven't seen anything to indicate that Mrs F submitted such a request.

Buildings insurance policy

In her response to our investigator's view, Mrs F said:

- *[she was] not aware of any policy that provides Alternative Accommodation (AA) cover for [her] other than her own LV contents policy.*
- *The landlord has never supplied details of the buildings insurer or its wording.*
- *The tenancy agreement places no duty on the landlord to re-house the tenant, so even if the buildings policy contains an AA extension for the landlord's benefit, it does not necessarily respond to the tenant's costs.*
- *LV has produced no evidence that another policy is liable for [her] loss; therefore the burden of proving overlapping cover remains unmet.*
- *[she is] neither a policyholder nor a named party under the buildings policy and has no right of access to it.*
- *The landlord did not disclose the insurer's identity.*
- *Without that information [she] cannot lawfully contact the buildings insurer.*

I've thought carefully about what Mrs F has said here, but I don't agree. In the evidence provided to us and to LV, there's a copy of the rental agreement for Mrs F's tenancy at the property. On pages 3 and 4 under the heading of "Landlord's Obligations" it says:

Insurance and Rent Suspension

4.1 The Landlord must insure the Property against fire, flooding and other risks usually covered by a comprehensive insurance policy and must use all reasonable efforts to arrange for any damage caused by an insured risk to be remedied as soon as possible. The Tenant is responsible for arranging insurance of the Tenant's own belongings.

4.2 The Landlord must provide the Tenant with a copy of the insurance policy at the request of the Tenant.

*4.3 Where the Property is uninhabitable because of damage caused to the Property by an insured risk then [...] **the Tenant shall not be required to pay rent until the Property is fit for occupation and use.***

*Guidance Note: Rent Suspension. Clause D4.3 provides that if the tenant cannot live in the property because it [is] uninhabitable due to damage from an insured risk [...] no rent is payable until the property is fit to be lived in. For example, **if the property is damaged by flooding and the tenant has to move out while the damage is repaired, the tenant does not have to pay rent during this period.*** (All emphasis is mine.)

The reference to Clause D4.3 in the Guidance Note refers to the "Model Agreement for an Assured Shorthold Tenancy and Accompanying Guidance" provided on the gov.uk website.

Given the above tenancy agreement, I think Mrs F is entitled to have a copy of the building insurance policy. Further, it appears she was entitled to not pay rent during repairs. I'm afraid it's not within my remit to help Mrs F with these matters or to get the evidence she needs, but I hope the information above is helpful.

My remit is limited to how LV handled Mrs F's claim, so I've thought about whether it was reasonable for LV to ask her to obtain the insurance schedule and/or provide the insurer's name so that it could determine its limit of liability for any AA costs. LV was provided with the tenancy agreement, AA details, and the payments made. The landlord's details, including address, are shown on the rental agreement for the risk property. I note that the address is the same as that for the landlord who provided and charged for the alternative accommodation. While the two landlords' business names are different, Companies House shows that there are links between them. So, given the requirement in the tenancy agreement to provide the insurance policy on request, and the availability of the landlord's address, it's reasonable for LV to expect that Mrs F would be in a position to obtain the buildings insurer's details.

As a side note, I see that the surname on the tenancy agreement is not the same as Mrs F's surname. Given that it's her address, and for the same period, I have taken that to be her tenancy agreement. However, even if it's not, it doesn't change my opinion on LV's request for information.

Finally, Mrs F said:

"Under ICOBS 8.1.1 R (2) and (3) an insurer must give reasonable guidance to the policyholder and must not unreasonably reject a claim. Asking the tenant to obtain a letter they have no power to secure is plainly contrary to those duties."

As I've explained above, I think it was fair and reasonable for LV to ask Mrs F to provide details of the buildings insurer so that it could determine its limit of liability for any AA costs. As the information ought to be available to her contractually, and because she paid for AA without LV's prior knowledge, I'm satisfied that LV requested information fairly, and in line with the policy terms and conditions. And I haven't seen anything in the evidence to suggest that LV failed to provide reasonable guidance to Mrs F in respect of what it needed from her and why.

In summary, LV hasn't declined Mrs F's claim for AA costs. It has asked her to provide the evidence it needs to identify what, if anything, it ought to pay for alternative accommodation under the contents policy. I think that's fair and reasonable in the circumstances.

My final decision

For the reasons I've given, my final decision is that I don't uphold Mrs F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 26 August 2025.

Debra Vaughan
Ombudsman