

## **The complaint**

Mr and Mrs E are unhappy with the delays they experienced with their subsidence claim with Liverpool Victoria Insurance Company Limited ("LV") and thought the increase to their annual premiums was unreasonable.

## **What happened**

Mr and Mrs E made a subsidence claim to LV when they identified some damage to their property.

LV appointed a surveyor to review and validate the claim. The initial inspection was followed up by a series of surveyor visits and it was determined that the roots of trees / shrubs growing close to the property was causing the subsidence. The surveyor recommended these to be removed as part of the remediation plan.

However, Mr and Mrs E became frustrated at the progress of the claim and in particular the progress of the repairs to their property, which resulted in them raising three separate complaints with LV. Mr and Mrs E were also disappointed with the general level of communication they received and didn't think the significant increase in their premium was fair following their claim.

LV responded to two of the three complaints raised. LV initially paid Mr and Mrs E £350 compensation for the impact of the delays and it apologised where the standard of communications wasn't sufficient. Later, LV also offered a further £250 compensation in relation to the complaints. Unfortunately, LV didn't respond to the final complaint.

Mr and Mrs E don't think the compensation paid / offered by LV fairly compensates them for what's happened.

Our investigator decided to partially uphold the complaint. He didn't think LV had compensated Mr and Mrs E fairly for the delays and poor communication, so he increased the total compensation to £1,200 (which included what has already been paid / offered). However, he couldn't see that Mr and Mrs E had been treated unfairly when their annual premium was calculated. Mr and Mrs E disagreed, so the case has been referred to 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.

The progress of the claim is the key component to this complaint. Our investigator has commented in detail on the chronology of the claim, so I've chosen to only summarise some of the key aspects of the time line. I haven't seen any evidence that either party has contested the timeline our investigator has set out, which includes:

- August 2022 – claim raised
- October 2022 – initial inspection
- November 2022 – first report produced from arborist (specialist in tree management)

- April 2023 – trial borehole, further advice and recommendations from arborist
- February 2024 – trees removed
- March 2024 – excess on policy paid
- May 2024 – start date for works was notified (which wasn't met)
- June 2024 – LV issue final response letter to complaint raised
- September 2024 – LV issue final response letter to complaint raised
- October 2024 – amended scope of works provided
- March 2025 – further complaint raised
- April 2025 – repair works commenced
- May 2025 – 8-week period for LV to investigate complaint expires

From the initial claim been raised to the commencement of repair works was about 32 months which is clearly a long time for a claim to progress to repair stage. LV have acknowledged some issues, but Mr and Mrs E don't think the compensation they have been paid / offered is fair in recognition of the distress and inconvenience they've experienced.

Subsidence claims do tend to take longer than most other types of home insurance claims. Subsidence claims can incorporate a longer and more intensive investigation stage to find the root cause of the issue – this can involve, as in this case, bringing in specialists to provide expertise on what's causing the damage. Once the root cause is rectified, there will often be a period of waiting and monitoring the property to ensure the issue has been resolved and there is no further movement. Only then, will an insurer then move on to repairing the property itself, which maybe just the cosmetic side of the repair once any structural improvements have been made.

I've reviewed the timeline and what specifically happened in the period of identifying the cause of subsidence until the root cause was neutralised i.e. until February 2024, when the trees were removed. Looking at this period holistically, I can't see any major failings by LV.

Apart from the inspections and reports, most of the time in this period was due to Mr and Mrs E disputing the need to remove the trees. I can see LV responded to this in a reasonable way and followed a route of further investigation, via boreholes to confirm the right course of action. Mr and Mrs E remained keen not to have the trees removed and asked for alternative approaches to be considered to protect their property.

I think this stage of investigation, further investigation and ongoing discussion on what the right course of action was has made the timescales of this stage of the claim protracted. I think LV has been thorough in its recommendations and has listened to Mr and Mrs E's concerns during this process, but unfortunately, this has ultimately led to the timeline being longer. There were also issues with birds nesting in the trees which delayed the work. I don't hold LV accountable for these delays.

I've then looked at the second part to the claim, putting right the damage caused by the subsidence. LV has acknowledged it has caused delays during this part of the process and has apologised for the standard of communication at times.

From reviewing the timeline, activities stalled / almost stopped for six months (from March to October 2024). The starting date was amended a couple of times and the scope of works wasn't nailed down to allow work to commence until the end of this period.

I think LV managed this period poorly. It didn't keep Mr and Mrs E informed of what was happening and the reasons for the delay. With the start dates for work moving, Mr and Mrs E felt frustrated when their expectations weren't met.

Further delays to the claim occurred due to Mr and Mrs E's own commitments, with the work getting pushed back until April 2025. Mr and Mrs E were left annoyed, that when it came to starting the works there were issues with storing their possessions to protect them whilst the work was being carried out. I think this was an oversight by LV. It had plenty of time in the intervening period to properly plan the work, so it progressed without problems. So, this is disappointing to see.

For the reasons I have set out, I do uphold this complaint. I think there was an unnecessary period of delay during 2024, which really set back the completion of works and I think LV's planning around the works could've been better. LV could've mitigated some of the issues by better communication, but unfortunately it wasn't able to.

Whilst, I appreciate Mr and Mrs E have seen the claim payout over a long period, not all these delays are due to LV's failures. I don't think there is evidence that the conditions Mr and Mrs E lived in during this period were unliveable. From what I have read, I think the damage internally was mainly cosmetic.

Mr and Mrs E have said the work has taken longer than they were originally advised. I'd need to ask Mr and Mrs E to raise this as a new complaint with LV if they want it considered. Until LV have had opportunity to respond to new issues, I don't have the jurisdiction to consider them in this decision.

LV has accepted our investigator's recommended compensation of £1,200. Whilst I appreciate Mr and Mrs E would like a larger amount, I don't feel I can justify this under our services guidelines. I think this is a fair and reasonable amount for what has gone on with this claim and the impact it has had on Mr and Mrs E. I require LV to pay a total of £1,200 compensation for distress and inconvenience.

I also acknowledge Mr and Mrs E's point that they saved money for LV on the appointment of their local tree surgeon. However, I don't think this is relevant in the award of compensation, plus I don't think Mr and Mrs E would've been disadvantaged anyway, as it was LV always who would've been covering these costs under the policy.

Finally, I've considered the increase to Mr and Mrs E's premium. It's important to recognise the commercial decisions LV make in respect to their pricing is its right and choice. LV weigh up a customer's risk profile and its policy limits, and prices its services according to their own pricing strategy.

With Mr and Mrs E making a claim, it's likely LV (and other insurers) would perceive the risk of insuring Mr and Mrs E as higher. There is also a background of increasing claims and increased cost of claims (due to increased cost of labour and materials) which is putting pressure on the cost of insurance cover. So, it doesn't surprise me that the cost of cover has increased. LV compete in a competitive marketplace and Mr and Mrs E are free to try and secure cheaper cover elsewhere if it's available.

What's key for me, is whether LV has treated Mr and Mrs E any differently to any other customer with the same circumstances. I've reviewed LV's underwriting guidance, which is its rulebook on how it calculates premiums. I can't share this as it's commercially sensitive but having checked this I can't see that LV has treated Mr and Mrs E any differently. Therefore, I don't think LV has been unfair in its approach. So, I don't uphold this aspect of the complaint.

### **My final decision**

My final decision is that I partially uphold this complaint. I require Liverpool Victoria Insurance Company Limited to pay Mr and Mrs E:

- Total compensation of £1,200 – for distress and inconvenience (that's £600 more than what's already been paid / offered, if any of this still hasn't been paid, LV should also pay this too).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E and Mrs E to accept or reject my decision before 3 November 2025.

Pete Averill  
**Ombudsman**