

## **The complaint**

Mrs P complains about the way Liverpool Victoria Insurance Company Limited ('LV') handled a flood claim she made under her property insurance policy.

## **What happened**

The following is intended as a summary of key events only.

Mrs P held a home insurance policy with LV. She contacted them in December 2024 to raise a claim for flood damage in her cellar. During the claim notification call, Mrs P said she'd been told by her local water board the water was due to a rise in the water table. LV initially said it didn't sound like there had been an insured event that the policy covered. Mrs P felt this was unfair as she wanted LV to investigate the source of the water ingress, so she raised a complaint.

LV later instructed a contractor to inspect the cellar, and their report concluded water was filling the cellar due to the surrounding area water table level. They explained to Mrs P that because her property was not located by a river and there was no heavy rainfall when removing the water from the cellar, LV concluded there was no flood event for the policy to cover. Mrs P remained unhappy with the response to her complaint – so, she brought it to this Service.

An Investigator looked at what had happened but didn't think LV had acted unfairly. He said the onus was on a policyholder to demonstrate there was an insured event which the policy should cover, and LV not covering the costs of damp proofing or installing a pump in the cellar wasn't unfair because household insurance policies aren't designed to cover maintenance issues. The Investigator concluded Mrs P hadn't demonstrated an insured event had occurred and there was no persuasive evidence that LV had acted unfairly or unreasonably during the management of the claim.

Mrs P didn't agree with the Investigator's conclusions. Her main points were:

- LV failed to make it clear that her cellar would not be covered under her policy.
- The cellar was a structural part of her property, so she reasonably expected it to be included in the scope of cover.
- The policy excluding cover for a pump or tanking meant the policy was mis-sold.
- LV did not conduct their own inspection of her drains before concluding that the water ingress was due to a rising water table issue.
- LV had a duty to clearly outline what was and was not covered under the policy.

As the complaint has yet to be resolved, it's been passed to me 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.

I first want to acknowledge that I've intentionally summarised Mrs P's complaint in a lot less detail than she's presented it. No discourtesy is meant by this, and I want to assure her that I have read and considered everything submitted in its entirety. However, as an informal dispute resolution service, my role is to focus on the main issues of a complaint in order to reach a fair and reasonable outcome overall. And this means I have only focused my decision on what I consider to be the key points of this dispute. Therefore, I've focussed on the following key points of the complaint:

- Mrs P said LV denied cover on the basis that the cellar is excluded, and she held a reasonable expectation that the cellar – forming a part of her insured property – would be covered under the policy.
- She felt her policy was mis-sold because she wasn't told her cellar would be excluded from cover.
- She explained if this exclusion had been highlighted to her when she took out the policy, she could have explored more appropriate insurance options.
- She also explained she's now had a pump installed in her cellar at a cost of £2,500, which LV should cover.
- There were discrepancies within LV's contractor report.
- She's outlined why she was unhappy with LV's complaint handling and expressed concern they didn't provide a response to her complaint within the 8-week timeframe.

The crux of this complaint comes down to Mrs P's belief her claim was declined as her cellar was excluded from cover. However, as the Investigator previously outlined, this isn't why LV said there was no cover under the policy. Ultimately, the onus is on a policyholder to demonstrate they have suffered an insured event the policy provides cover for. Here, Mrs P reported she'd been told the water in her cellar was due to a rise in the water table which isn't an event insured under her policy. And I can see LV's contractor's report reached the same conclusion and said this isn't something that the policy covers. I find this to be fair, for the same reasons the Investigator has previously outlined. I also haven't been provided with any persuasive evidence which demonstrates the report's conclusion are incorrect or have been reached in error.

I appreciate Mrs P is also unhappy that her policy doesn't cover the costs of installing additional damp proofing or a pump or tanking for the cellar. And she's said this wasn't explained to her, so she lost the opportunity to obtain a more comprehensive insurance policy elsewhere. But I don't think LV has acted unreasonably here, and I haven't been shown any evidence which demonstrates Mrs P would have been able to obtain cover for the items she has listed. Insurance isn't designed to cover every eventuality, and I wouldn't expect a home insurance policy to cover damp proofing improvement or the costs of a pump or tanking in any event.

In respect of the complaint handling issues Mrs P has raised, I want to make it clear that this Service is unable to consider complaints which are solely about complaint handling, because this is not a regulated activity that our rules cover. This means Mrs P's concerns over LV not providing a final response within the eight-week timeframe they are allowed isn't something I will comment on in this decision.

However, in relation to how the claim was handled after it was notified to LV, I'm satisfied Mrs P was provided clear, fair, and not misleading information about her policy coverage and why the water in her cellar wouldn't be something that the flood section of the policy would cover. LV correctly explained that if Mrs P had the water pumped out, they could look to provide cover for accidental damage under the policy, which I think was fair and proportionate in the circumstances. They also went on to appoint contractors who undertook this work in any event, which I find to be fair.

Finally, I can see Mrs P has outlined why she feels LV should be penalised for failing to abide by their own procedures when dealing with her claim. To be clear, this Service is not the industry regulator. We don't have the power to punish or fine businesses - that's the role of the Financial Conduct Authority ('FCA'). Our role is to resolve individual disputes by deciding what's fair and reasonable for the people involved.

Having considered the claim history very carefully, I don't find that LV acted unfairly or unreasonably. Ultimately, I'm satisfied Mrs P did not have an insured event the policy would cover. And in respect of the work Mrs P has undertaken to the cellar, I'm not persuaded this would be anything LV would reasonable be expected to cover. While I recognise this is not the answer Mrs P had hoped for, I hope my decision explains why I have reached the conclusion that I have.

### **My final decision**

For the reasons I have set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 8 October 2025.

Stephen Howard  
**Ombudsman**