

The complaint

Mrs H complains about the way Liverpool Victoria Insurance Company Limited ('LV') handled a claim she made on her home insurance policy. She says there were delays to the repair process.

What happened

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

Mrs H held a home insurance policy underwritten by LV. She contacted them to report an escape of water claim in May 2024. LV accepted the claim and began works, but Mrs H said they caused avoidable delays, and she had to repeatedly chase for updates. She was also unhappy that additional damage had occurred to her property, having to move to multiple alternative accommodation locations, and that she'd incurred further costs. Mrs H raised a complaint about LV's handling of the claim. LV initially didn't provide a final response as they said they'd been unable to complete their investigations within the eight-week timeframe. Mrs H then brought the complaint to this Service. She said the claim had caused severe stress and disturbance due to poor workmanship by LV's contractors.

While the complaint was being considered, LV made an offer of £1,000 compensation in March 2025, which they said was in addition to their earlier agreement to waive the requirement of Mrs H paying her £500 policy excess. An Investigator then looked at what had happened and ultimately recommended the complaint should be upheld. They said the claim had been managed poorly and LV had caused avoidable distress and inconvenience to Mrs H and her family. The Investigator concluded LV should reimburse the costs of spoiled food and refund electricity costs, as well as pay for cleaning and appoint a new contractor to conclude the claim. But they felt the £1,000 compensation was fair in the circumstances.

LV accepted the Investigator's view, but Mrs H didn't and made further submissions. She said the compensation award was too low. She asked LV to pay £10,000 each for her, her husband, and her daughter, and provided further evidence and complaint points she wanted LV to cover and consider, including:

- Additional mileage costs when travelling to alternative accommodation.
- Damaged electrical items due to corrosion and water damage.
- A further £300 of spoiled food.
- The cost of therapy sessions Mrs H said was due to LV's handling of the claim.
- Unpaid time off work.
- Cost of a damp proof expert fee.
- She and her family had to move alternative accommodation eight times.
- The impact caused to her husband and daughter.

The Investigator sent Mrs H's new evidence and submissions for LV to comment on; given they hadn't had the opportunity to consider it at that stage of the complaint. LV then provided a response and confirmed they would cover, subject to their normal claim validation process:

- Costs for spilt food.
- The damaged electrical items.
- Additional mileage costs.
- Unpaid time off work, subject to evidence of relevant dates and evidence of the loss.

LV also said they would make a goodwill payment of £1,665 to cover the cost of Mrs H's therapy sessions and confirmed the damp proof expert fee had since been reimbursed

The Investigator then issued a second outcome which recognised LV's updated position and said £1,000 compensation for LV's poor claims handling up until the LV's compensation offer in March 2025, in combination with the £500 policy excess being waived, and payment for Mrs H's therapy sessions, was fair and reasonable in the circumstances of this complaint.

Mrs H remained unhappy with the Investigators recommended outcome. She explained the difficulties the claim had caused her entire family and she thought the compensation award should be significantly higher. Mrs H maintained LV should pay £10,000 each for herself, her husband, and her daughter given the emotional disruption the claim process had caused. She also asked for consideration of impact past March 2025 as she said the issues were ongoing.

Mrs H asked for an Ombudsman to consider the complaint, 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 want to start by acknowledging I've summarised Mrs H's complaint in a lot less detail than she's presented it. Instead, I've focussed on what I consider to be the key points I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.

I also need to explain what period I will be considering as part of my decision. I appreciate Mrs H has said the overall impact of this claim has been severe for her and her family and she feels a significant compensation award is justified. But I will only be considering the impact caused up until LV issued a compensation offer in March 2025. I have carefully considered Mrs H's submissions about the difficulties of raising a new complaint, but given there are elements of the claim that remain outstanding, I don't think it would be fair or reasonable to comment on issues after this date, given LV wouldn't have had the opportunity to comment on them, and any award I make may under compensate any ongoing issues Mrs H has yet to raise.

As the complaint currently stands, I can see LV agreed to some of the recommendations the Investigator made as part of their review of the complaint. LV confirmed they will pay £1,665 for Mrs H's therapy sessions, as well as considering additional items Mrs H raised after the complaint was brought to this Service, which were:

- Costs for spilt food.
- Damaged electrical items.
- Additional mileage costs.
- Unpaid time off work, subject to evidence of relevant dates and evidence of the loss.

This means I'm not going to make an extended finding on these points again. I've considered the reasons behind them, and I'm satisfied LV paying for the therapy costs, as well as reconsidering the additional losses submitted produces a fair and reasonable outcome to these points. So, the remainder of my decision will focus on what amount of compensation I consider to be suitable to resolve the complaint.

What was the impact

I have no doubt this was a stressful and disruptive time for Mrs H. But I also need to balance that impact against what I think is an appropriate award of compensation. While I sincerely appreciate that Mrs H has said this claim has caused a large impact to her and her family, I need to make it clear that a compensation award isn't intended to fine or punish a business, it's to recognise the impact the business' actions have had on their customer in a particular complaint. When deciding what amount would be fair, my award takes into account how I consider Mrs H was affected.

Insurance claims can be, by their nature, very disruptive. They often take many months to investigate and resolve, and a certain level of inconvenience is always unavoidable. But my role is to consider the additional distress and inconvenience caused over and above what I would consider to be normal. I've considered what Mrs H has submitted carefully and I have no doubt LV's handling of this claim has led to increased disruption, and additional distress and inconvenience. I think there are numerous examples of missed opportunities and poor communication, additional costs and damage, which all would have been distressing to Mrs H. And I can appreciate how repeated changes to completion dates and having to change alternative accommodation would have caused understandable upset, distress and inconvenience.

In respect of compensation, while Mr H is not a named policyholder, I do recognise he would be entitled to be awarded compensation where applicable; given he is a co-owner of the insured property. He would be an eligible complainant under this Service's rules, as a person "*for whose benefit a contract of insurance was taken out*", per DISP 2.7.6(5). But I should also make it clear that this Service doesn't generally make compensation awards on a per person basis for each family member. Instead, we look to make a general award of compensation.

I can see LV has outlined that they waived Mrs H's policy excess of £500, awarded £1,000 compensation, and agreed to pay £1,665 for Mrs H's therapy sessions. So, I need to think about whether that's enough compensation to reflect the impact LV's actions had on Mrs H. I've weighed up Mrs H's testimony, the available evidence, and the duration of the process. I think LV's handling of the claim caused additional distress, upset and worry, as well as disruption to daily life over a prolonged period, with the impact felt over many months. But overall, I think the sums already offered are fair and reflect the impact LV's actions had.

I appreciate this is not the level of compensation Mrs H had hoped for, and it may not ultimately change matters for her, given her larger concerns over the claim. But in relation to the issues I think LV are responsible for, during the period I have considered, I find the compensation already offered to be in line with the level of compensation appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint.

For the avoidance of doubt, my award is in relation to delays and impact caused up until LV's offer from March 2025. Should Mrs H have additional complaints in relation to delays and the impact caused after this date, she would need to raise that to LV in the first instance for them to comment on.

Putting things right

In order to conclude this complaint, LV should:

- Appoint a new contractor to complete the outstanding work required to conclude the claim.
- Pay the reasonable costs of cleaning the ground floor and the fridge.
- Reconsider the following items and settle them in line with their normal claim validation process:
 - Costs for spilt food.
 - Damaged electrical items.
 - Additional mileage costs.
 - Unpaid time off work, subject to evidence of relevant dates and evidence of the loss.
- Pay £1,665 for Mrs H's therapy costs,
- Pay £1,000 compensation for distress and inconvenience caused by their handling of the claim.

My final decision

For the reasons I've outlined above, my final decision is that I uphold this complaint in part. I direct Liverpool Victoria Insurance Company Limited to conclude the complaint in the way I have set out in the "putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 16 October 2025.

Stephen Howard
Ombudsman