

The complaint

Ms P has complained that Liverpool Victoria Insurance Company Limited (LV) unfairly declined a claim she made for damage under her home insurance policy.

What happened

In 2019 Ms P made a claim for arson damage to her home to her insurer, LV. LV initially accepted the claim and arranged for fire damaged items beyond repair to be removed from Ms P's home. However, two members of Ms P's family were later arrested and charged with arson. So LV put the claim on hold. Due to COVID, the court hearing was delayed until 2023.

In June 2024 Ms P got back in touch with LV. She said both family members had been convicted of arson. In October 2024 LV declined Ms P's claim. It said the policy excludes cover for any deliberate or criminal act by Ms P or a member of her family.

Ms P complained to LV but it didn't uphold her complaint. So she asked us to look at her complaint. Ms P said the family members didn't live with her at the time of the incident and that she lived alone. She said if she'd known LV wasn't going to meet her claim, she would have kept the fire damaged items and arrange for them to be cleaned.

One of our Investigators didn't recommend the complaint should be upheld. She found LV had declined the claim fairly as there was evidence the convicted family members were living with Ms P. When dealing with the claim, LV had arranged alternative accommodation as requested by Ms P for her and her family members. The Investigator found no evidence LV had disposed of items incorrectly up until it halted the claim – and no evidence it had taken any of Ms P's items for storage and not returned them to her.

Ms P reiterated that she lived alone and says her council tax bill proves this. She says that when LV offered alternative accommodation at the outset of her claim, she asked LV to accommodate her family members for her safety, but they were not living with her.

So Ms P wants 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.

I'm sorry to read of the impact the court hearing and outcome has had on Ms P. I've looked at whether LV in their role as insurer acted reasonably and in line with the policy when it declined Ms P's claim.

When LV initially accepted Ms P's claim I think it acted in good faith in arranging for items damaged beyond repair to be disposed of. LV has shown that its contractor provided an inventory of Ms P's items, but it did not remove any items for storage – and so it doesn't hold any items Ms P is claiming return of. Ms P hasn't provided evidence by way of receipts for

any items removed from her home when LV's appointed contractors started to work on her claim.

Ms P's policy with LV excludes cover in the following circumstances:

"The policy does not cover the following

- *Any criminal or deliberate act by you or your family."*

The definition of 'family' is defined as;

"Any person who normally lives with you but not lodgers, any other paying guests or domestic employees".

Ms P told LV that two of her adult children had been convicted of arson. Ms P says they did not live with her. She says they would occasionally visit but lived elsewhere and had done for some years. Ms P believes LV gave a different reason for rejecting her claim as it first said the claim was on hold because Ms P had been arrested on suspicion of arson too. But Ms P says the charge against her was subsequently dropped. She says she is a victim here and it isn't fair for LV to decline her claim.

A report was provided by a Loss Adjuster (LV) appointed by LV following a visit to the home where the LA spoke to Ms P's daughter; one of the two family members later convicted of arson. Key statements from that report say;

"The policyholder resides in the property with her son, daughter and cat".

"Policyholder had gone out at around 1am to collect her son as he had been out with friends, her daughter was also out. The policyholder and her son came home, and they went to open the front door and could hear the smoke alarms, so son went round the back of the property to discover the house on fire."

Further statements from the LA refer to evidence of recent smoking in Ms P's son's room – and Ms P has referred to her daughter's make up and clothes in her bedroom.

I've also seen an email from a police officer who was investigating the arson incident. The officer refers to Ms P's son and daughter and their address as the same as Ms P's.

So I find the evidence LV has relied on to be more persuasive than the evidence Ms P has provided. I don't think a council tax bill in Ms P's name as a single occupancy or the policy being in Ms P's sole name carries more weight here.

It isn't possible to say with any certainty that LV didn't properly deal with Ms P's items when it began clearing the damage. And I appreciate that a long period of time passed between 2019 and 2024. I can also recognise that LV informed Ms P of its decision in October 2024, which was four months after Ms P contacted it to reopen her claim. But this doesn't make a difference to the outcome. Ms P explained that repairs to her home had been carried out. So even if LV had advised Ms P sooner of its decision, it would not have changed anything as it didn't delay repairs to Ms P's home.

There isn't any evidence to show LV didn't deal with Ms P's claim in a reasonable way. I think it fairly applied the exclusion it did when rejecting Ms P's claim, based on the information available to it.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 7 October 2025.

Geraldine Newbold
Ombudsman