

The complaint

Mr M and Mrs V complained about Liverpool Victoria Insurance Company Limited's ("LV") handling of their claim for damage due to water ingress, under their home buildings insurance policy.

I'll refer to Mrs V in my decision for ease.

What happened

Mrs V noticed a leak originating from the roof of her home in May 2023. This caused staining to the ceiling in her office room, some 'efflorescence' on an internal wall in a hallway, detachment of a skirting board in the same area, and darkening of wooden flooring again in the office room beneath where the leak was located.

Mrs V arranged for the roof to be fixed and for a damp surveyor to look at the remaining issues. She said the surveyor identified water from the leak had resulted in the damage to the floor and wall. Mrs V made a claim to LV. It declined the damage to the roof but accepted the internal damage under an accidental damage cause. She said LV's agent then identified pre-existing damp and declined to carry out any reinstatement work until this was addressed by her.

Mrs V said LV's agent confirmed the original concrete floor wouldn't contain a damp proof membrane (DPM) given the year it was built. The parquet floor on top of this was protected from moisture by the bitumen that held it in place. Mrs V said the office room had been extended by the previous owner. And that a wooden floor had been installed on top of foam that was protected by a plastic backing. She said no damp issues were experienced prior to the roof leak. And she understood that the concrete floor would always contain some moisture as it had no DPM.

Mrs V said dampness from below the replacement flooring could be mitigated in the same way it had been for the flooring already in place. But she said LV wouldn't carry out the repairs without further damp proofing work. She said this was left to her to sort out. But she said she wasn't given directions as to what was needed for LV's agent to be satisfied that reinstatement work could begin.

Mrs V said LV's agent arranged for holes to be dug in the extension part of the floor screed to see if moisture was trapped. This revealed there was a DPM in place for this part of the floor. Mrs V said it was left for her to reinstate these holes. At this time LV's agent wouldn't proceed whilst the damp it had identified remained.

Mrs V arranged for drainage at the front of her house to be improved and replaced the screed that had been dug up by LV's agent. She said the screed then appeared dry even after heavy rain. LV's agent then advised damp proofing to the walls was required in the hallway and around the bay windows. Mrs V said this is despite it telling her it couldn't provide advice on damp proofing. She said LV's agent removed some radiators and plasterwork at the foot of the bay windows and in the hallway. But left one radiator for her to remove. She said a leak was caused by LV's agent when removing a radiator, which made the previously dried screed wet again. Mrs V said she had to arrange for this to be fixed using other insurance cover she had in place. She then arranged for plasterwork to be removed up to one meter around the front of her property. A damp proof course was then injected into the walls. After this she said LV's agent agreed to carry out the reinstatement work.

Mrs V said LV's agent agreed to use a DPM before installing the wooden floor. She'd been told by a specialist that this should be a physical membrane. And that it should be 'lapped up' behind the skirting. This is so that the flooring wouldn't be affected by any dampness in the walls below the damp proof course. Mrs V said LV's agent opted for a liquid DPM. It applied this in April 2024. But it used the wrong product, failed to apply this to the bottom part of the walls, and didn't prepare the surface correctly. Damp was noted in the wooden flooring in early May as a result.

Mrs V said LV's agent inspected the flooring. It was concluded that it was substandard and would need to be replaced and a 'blackjack' damp proof course applied to the bottom of the walls. It was also agreed that a physical DPM would be used for the replacement floor. Mrs V said it was agreed a different contractor would be used to replace the flooring. This is because she'd been spoken to rudely and didn't trust the contractor to do a good job. However, she said the same contractor was appointed. This work was deferred until September 2024 at Mrs V's request so as not to disturb another summer holiday with her children.

Mrs V complained to LV and received a response dated 12 July 2024. It said when its agent dried her home pre-existing issues were detected that she was responsible for rectifying. LV said this isn't covered by its policy and must be remedied before insurable works could be agreed. LV said that its agent had offered to cover non-insurance related works as a goodwill gesture.

Mrs V didn't think she'd been treated fairly by LV. More specifically she was unhappy with the time taken to reach this point; the lack of support from LV in relation to the damp proofing work that was needed; its agent's failure to implement an adequate DPM with the flooring despite being told what was needed; further damage that was caused that was left to her to resolve; and its agents refusal to consider, at an earlier juncture, that flooring could be installed with a DPM as per the previous flooring. Because she remained dissatisfied with LV's response she referred the matter to our service.

Our investigator didn't uphold Mrs V's complaint. She said there were delays but these weren't due to poor claim handling on LV's part. She said pre-existing damp had to be rectified prior to the reinstatement work, which was Mrs V's responsibility. Our investigator thought it was fair that LV had carried out uninsured repairs. But didn't recommend that it should do anything further.

Mrs V didn't accept our investigator's findings and asked for an ombudsman to consider her complaint.

It has been passed to me to decide.

I issued a provisional decision in July 2025 explaining that I was intending to partially uphold Mrs V's complaint. Here's what I said:

provisional findings

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 my intention is to uphold this complaint in part. Let me explain.

Mrs V's policy provides cover for insured events that are set out in its terms and conditions. The damage to the roof of her home didn't fall within one of these causes. This isn't in dispute. But the internal damage was accepted by LV under an accidental damage cause. We expect insurers to handle claims fairly and effectively. I've focused on whether LV did so here.

I can only consider what happened up to the date of LV's final response to Mrs V's complaint. This was dated 12 July 2024. If she has concerns about events after this date, she can raise these with LV separately, but I can't consider those points here. This includes the relaying of the wooden flooring agreed by the business.

LV instructed its claims handler to validate Mrs V's claim. It then arranged for the affected areas of the property to be stripped of flooring and plaster before drying. I can see from a claim record in August 2023 that the property wasn't drying as expected. LV referred to a gully that its agent thought was allowing water to ingress, preventing the property from drying. Mrs V was informed at this time that she would need to address the ongoing damp issue prior to reinstatement works progressing.

I can understand Mrs V's frustration and distress given the situation described. I acknowledge what she says about a lack of instruction or advice from LV on what she needed to do. I've checked Mrs V's policy terms and conditions, but I can't see that LV is responsible for pre-existing issues at her property. This being the case, if there was dampness unrelated to the leak from the roof, then this was her responsibility to rectify. LV could then dry the property and reinstate the damaged areas.

I can see that Mrs V arranged for three contractors to investigate the damp issues. The last being in September 2023. She said none gave a conclusive answer as to the cause of the dampness in the concrete floor and walls. Having provided this information to LV Mrs V said further drying was attempted but was unsuccessful.

I've read the reports. Several different tests were carried out. But there was no clear conclusion identifying the cause of the damp. Albeit several recommendations for remedial work were set out for possible causes.

Mrs V said there were missed inspections from LV in October/November 2023. This coincided with several handlers assigned to her case leaving the business. I note her concern that she was left to reinstate the trial pits that had been dug in her office room. I can understand this must have been frustrating. The claim records show she was told that LV wasn't responsible for reinstating any damage caused during the strip-out works. The trial pits were dug to investigate an ongoing issue with dampness. This wasn't the result of the insured event and isn't something Mrs V's policy covers. So, I don't think LV treated her unfairly in relation to this point.

The works Mrs V arranged included digging up the screed where the front of the property had been extended by the previous owner. She said a DPM was found under the screed,

indicating there was no prior issue with damp in this area. However, this was replaced with a new DPM and new screed, which was then allowed to dry. In addition, the drain at the front of the property was altered to allow water to flow away from the house more effectively.

After this work was complete Mrs V said she was told the walls needed damp proofing. She said this hadn't been confirmed previously. This involved further dusty, disruptive work to damp proof and re-render/plaster the walls. This was completed in April 2024. At this point Mrs V said LV agreed to begin reinstatement work to the floor. But it failed to apply the correct DPM as it had agreed. This was to protect the new wooden floor from dampness in the sub-floor and the section of wall below the damp proof course.

The flooring was laid by 25 April 2024. On return from holiday on 8 May Mrs V said damp staining was noticed around the edge of the flooring. She arranged for LV's agent to inspect. It was then agreed that the work was substandard and would be redone with appropriate damp proofing to include the lower part of the walls. Shortly after this was agreed LV sent its final complaint response where it said its agent had agreed to cover non-insurance related works as a goodwill gesture.

I've thought carefully about Mrs V's concern that the concrete floor, except for the screed extension in the office room, was installed in the 1950s without a DPM. This means that the concrete will always have contained some level of moisture. She commented that there was no issue with dampness prior to the roof leaking. She said the original flooring she had in place was installed on top of a layer of bitumen which acted as a membrane between the flooring and concrete. She said this was confirmed by LV's claim handler at the outset of her claim. Mrs V also explained that the extended part of the house had a plastic backed underlay under the flooring. She said this prevented any damp issues.

I think Mrs V makes a fair argument. The first specialist she appointed said water could have tracked from the roof leak through the wall and caused dampness in the flooring and walls. This dampness was reportedly unable to escape through the screed and was drawn up through the walls. LV's agent confirmed it wasn't a damp specialist. But was insistent that Mrs V carry out extensive works before it completed the reinstatements. Even though a source of dampness, other than the roof leak, hadn't clearly been identified.

Having considered the evidence the indication is that dampness was primarily caused by the initial leak through the roof. Once the roof was repaired, and following a period of effective drying, it's possible that the flooring could then have been reinstated. The bitumen adhesive that was originally used appears to have performed its role adequately to prevent damp penetrating up from the concrete subfloor and from the lower section of wall beneath the damp proof course. So, a DPM lapped up to the damp proof course in the walls, as later agreed by LV, could have allowed reinstatement of the flooring at an earlier stage. However, this would involve an element of betterment, which I acknowledge isn't covered by Mrs V's policy.

LV's claim records say that once the strip out work was completed "it didn't seem to be getting any dryer [sic]". If this was based on moisture meter readings of the concrete sub-floor then it wouldn't be expected to, given it was understood that no DPM was in place.

I asked LV to comment further on this point and to provide the notes from its surveyor. It responded to say its claim handler had referenced the historical absence of a DPM in the original concrete sub-floor. It said this detail was also identified in a report provided by Mrs V. It said this would naturally contribute to a consistent presence of moisture within the concrete slab. It said this was a pre-existing condition and outside of the scope of the insured event.

LV also supplied records showing the results from moisture checks of the floor and walls. This shows moisture levels in the floor didn't reduce by much. But by early October 2023 the levels in the walls had reduced and were described as having "fallen well". But in January 2024 the records state that moisture levels in the concrete floor and walls were still elevated.

Having considered this evidence, it's clear the concrete floor would be expected to contain moisture. However, the moisture levels in the walls were still elevated after several months of drying. The indication from this is that damp proofing was necessary and the roof leak wasn't the reason that dampness remained. This isn't something covered by Mrs V's policy, so it's correct that she paid for this work.

I've carefully read the information LV sent. The situation with the flooring appears confused. But it was apparent from an early stage that a DPM was required to be positioned between any flooring and the concrete sub-floor given its construction. The concrete slab was always going to read positive for moisture, but this doesn't appear to have been properly considered or communicated effectively.

It's clear that LV's agent failed to reinstate the flooring effectively. Mrs V has shown that the liquid DPM it used, wasn't applied correctly. This resulted in damp damaging the new flooring soon after it was installed. It took some effort on Mrs V's part to argue this point with LV. I think it's fair that it eventually agreed to reinstall the flooring with an appropriate DPM. I acknowledge that this does represent some betterment. A DPM, other than the bitumen used to fix the parquet flooring, wasn't in place previously. But this solution could have been agreed at an earlier date, with Mrs V paying for, or arranging the installation of a DPM. As it is, flooring was laid without an effective DPM and this caused further disruption and distress for Mrs V and her family. In these circumstances I think it's fair that LV acknowledges the impact this had with a compensation payment.

I can see that the remedial work was delayed at Mrs Vs request until after September 2024. As discussed, I can only consider up to the date of LV's complaint response. But for the impact on Mrs V and Mr M up to 12 July I think a payment of £400 is reasonable. This is to acknowledge the delay, disruption, and frustration caused by the ineffective installation of the flooring. In addition to the poor communication around what was necessary to install the floor whilst protecting it from damp. It's apparent that the lack of clarity around this point has caused confusion.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

LV responded to say that it had no further comments or evidence to provided and that it accepted my provisional findings.

Mrs V responded to query how I arrived at the compensation award for £400. She said this seems relatively low when considering the value of her time and the value of the extra work required to put things right.

In her response Mrs V referred to a decision made by another ombudsman at our service. She said any repairs had to be 'lasting and effective' and that this may include an element of betterment in order to achieve this. Mrs V indicated that this was relevant to her dispute about the DPM and the reinstatement of the flooring. She said the cost of this work should not be factored into the compensation I awarded. And if it has it should be amended.

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'm not persuaded that a change to my provisional decision is warranted.

With respect to the compensation I awarded - I considered the inconvenience, disruption, and distress LV caused when it failed to install Mrs V's flooring effectively. Additionally, I considered the poor communication around how the flooring should be installed to ensure it was protected from damp. In doing so I considered the impact this all had on Mrs V and Mr M based on the evidence and testimony provided, as well as factoring in the timeframes involved. We have a guide that we refer to when awarding compensation. I used this as part of my considerations to inform the payment I set out in my provisional decision. An explanation of the approach our service takes to awarding compensation is published on our website. This provides more information, and some examples should Mrs V want to read more about our approach.

I acknowledge Mrs V's comments about the requirement for an effective and lasting repair to be put in place by LV. I don't disagree. In this case the business paid for the DMP to be installed. The cost of this work didn't impact on the compensation award I set out. So, although I understand that she feels a higher level of compensation is due. I'm satisfied that £400 is fair, having considering all the evidence and circumstances of this complaint.

My final decision

My final decision is that I uphold this complaint in part. Liverpool Victoria Insurance Company Limited should:

- pay Mrs V and Mr M £400 compensation for the distress, inconvenience, and frustration it caused them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs V to accept or reject my decision before 5 October 2025.

Mike Waldron
Ombudsman