

The complaint

Miss R has complained about her property insurer Liverpool Victoria Insurance Company Limited regarding her ongoing subsidence claim.

What happened

Miss R made a subsidence claim to LV in 2019. In September 2024 LV issued a final response letter (FRL) regarding a complaint Miss R had made and Miss R brought that complaint to this Service. I've considered that complaint separately.

In the meantime the subsidence claim with LV had continued. As of September 2024 LV had been looking to remove vegetation and concerns around this were not resolved until May 2025 when LV agreed some should be removed but a rose and an apple tree could remain. On 28 May 2025, LV issued a further FRL in answer to concerns Miss R had raised with it since the September 2024 FRL. It accepted there had been poor service and offered £1,000 compensation, sending Miss R a cheque.

Miss R remained unhappy. She told this Service that with the claim having been ongoing for nearly eight years her health had suffered. She said she'd lost income too because of her health issues, all on account of the unreasonably delayed claim.

Our Investigator considered everything that had happened in the period September 2024 to May 2025. She thought there had been poor service which had caused Miss R upset and had likely impacted her health to some extent. However, she was also mindful that it was far from clear that failures by LV had been the only influencing factor on Miss R's health. So she wasn't satisfied it was most likely Miss R's earnings had been affected by LV's failures. On balance she was satisfied that, for distress and inconvenience caused, as well as an element of pain and suffering, £1,000 compensation was fair and reasonable.

Miss R was disappointed by that outcome. She said no doctor would be able to confirm her condition had been caused by the stress LV had caused. But, Miss R said, in the last six years the claim had been the only cause of stress in her life. She said stress accumulates and this claim had been going on for years. She noted she was still paying increased premiums even though LV had not resolved the claim. Miss R said our website shows instances of higher compensation awards for less stressful circumstances occurring over a much shorter period, with her restating that this claim was entering its eighth year.

The complaint was referred for an Ombudsman's decision.

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 appreciate that this claim has been difficult for Miss R. It seems there have been mistakes made during the years, by LV, which have impacted its progress. I accept that this means that as the claim entered the period for consideration here, post the September 2024 FRL,

Miss R was likely suffering a heightened state of worry and the failures of LV would have had a greater impact on her than if the claim had just started. However, whilst I note that, and have taken it into account when considering compensation, that doesn't mean I can look at the whole period of the claim, or take into account its whole term as Miss R has alluded to. My review, in this complaint decision, remains on the period 23 September 2024 to 28 May 2025.

It's also worth noting at the outset that whilst this Service will take into account pain and suffering caused by an insurer's failures, that would generally be in respect of some short-term impact on health. Where health is affected in the longer term, perhaps causing someone a loss of amenity, that can begin to affect all sort of areas of their life, including their income. So where someone has been affected in this wider way, over the longer term, as opposed to suffering a short-term impact, we tend to think the courts would be better placed to consider something like that, with it being more akin to a personal injury. I couldn't advise Miss R regarding her legal position and any impact a decision by this Service may have on that. It would be up to Miss R if she wanted to take legal advice before deciding whether or not to accept any decision.

Our website gives examples of situations where compensation might be applied. But these are meant as a guide and each complaint is taken on its own merits – with the considering Investigator or Ombudsman taking careful note of the specifics of the circumstances before them and applying our guidance on compensation amounts to determine what a fair and reasonable sum would be.

Turning to what happened in September 2024 to May 2025, it's clear to me that this was a further period of delay and poor communication by LV and between it and its agents handling the technical parts of the claim. I think that is particularly disappointing given the long history of this claim. And I totally understand this would have had a substantial negative effect on Miss R. There was one key failure in particular which I'll focus on here, regarding which vegetation needed to be removed.

Just before the period I am considering started, Miss R had spoken with LV's arborist and the arborist had agreed the apple tree could be reduced rather than removed and the rose could stay. But as 2024 drew on the loss adjuster failed to communicate this key repair point to LV. That meant that when the loss adjuster spoke to LV about remedial works, LV insisted the arborist's report – pre-dating the conversation Miss R and the arborist had – was stuck to. LV didn't then become aware of the key conversation until 2025, and it was only after this that the issue about which vegetation to remove was resolved. I think LV recognises that this was a key failure by it and its agents. Certainly the problem generated a lot of correspondence from and frustration for Miss R – she couldn't understand (rightly so) why the change to the plans the arborist agreed with her was seemingly being overlooked.

That being said, I've also thought about what would likely have happened if LV had received the updated advice from the arborist earlier. I think LV wouldn't necessarily have accepted it straightaway. Rather I think LV would have made further enquiries and given consideration to what the long-term prospects for the claim and its repairs would be if the tree was not removed. Often an insurer will want to remove trees if their re-growth can't be controlled. So I think LV would have wanted to assure itself, before going ahead in late 2024, that Miss R would manage the tree post its reduction. It would then have needed to look at when best to do the reduction work and, once that could be completed, the property would still have needed to be monitored. So it's by no means clear that the claim itself would have been six to nine months further on by May 2025 if LV (as opposed to its loss adjuster) had been told, in autumn 2024, about the alternative plan by the arborist to reduce the tree.

It's worth noting that subsidence claims, even well managed ones which this one clearly has not been, can be complex and time consuming. They will often result in premiums increasing, even after the property is fully remediated. They will always entail a good deal of involvement by the policyholder. And, where vegetation induced subsidence is concerned, much time will often be spent monitoring the property – possibly across more than one period, both before and after vegetation is removed. So when I think about LV's failures during this period, and their impact on Miss R, I must bear in mind that this claim, at this time in question, was always likely to have been having a negative impact on her. And it is only the additional distress and inconvenience, pain and suffering, caused on account of LV's failures for which I can award compensation.

Whilst I can award compensation for financial as well as non-financial loss, to do so I'd have to be satisfied that the financial loss was most likely directly caused by the insurer's failings. Now a financial loss might occur, or be incurred for a variety of reasons. But in this case, Miss R has explained she lost work because of her stress induced medical conditions, which had gotten much worse by late 2024, making her unable to drive. I know she attributes this to the on-going claim, but also that her doctor is unlikely to be able to say what the cause may have been. I've also said though that the claim itself would have brought its own level of stress even if handled well. But, with all those difficulties in establishing a link between LV's failures and Miss R's health noted, I do think the situation Miss R is reporting in this respect is more akin to a loss of amenity/personal injury, than something I would consider under the header of 'pain and suffering'.

To be clear, it is absolutely my view that LV failed Miss R in this instance – LV did not handle the claim as it should. Of course, and clearly, Miss R would have suffered less if LV had handled things better. So I am prepared to accept that its failures had some impact on Miss R beyond that she would always have naturally experienced. At the very least I accept that she is likely worried, concerned and frustrated because she believes, not unreasonably, that it should have done things differently. For the reasons explained this is an incredibly difficult situation as a whole for me to make a finding on, to know the exact extent of that impact within the realms of what is appropriate for me to consider. But it is part of my role to make a finding which I am satisfied is fair and reasonable in all of the circumstances of the claim and complaint.

A sum of £1,000, when considering our guidance for these types of awards, recognises substantial distress, upset and worry over a prolonged period. We'll often award in this region for upset caused over the period of a year. As I've noted above, I'm only looking at a roughly nine-month period here. So if I were looking at distress and inconvenience alone, I'd likely be of the view that LV's payment of £1,000 had exceeded our guidance. Of course, here, there is the element of pain and suffering LV caused too. Taking into account everything I've said, including the limitations I've explained, I'm satisfied that the total sum of £1,000 is fair and reasonable compensation.

My final decision

It's clear to me that Liverpool Victoria Insurance Company Limited failed Miss R. But, as set out above, I'm satisfied its payment of £1,000 compensation is fair and reasonable to put things right. So I won't require it to pay anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 12 December 2025.

Fiona Robinson
Ombudsman

