

The complaint

Mr A and Ms T complain about how Liverpool Victoria Insurance Company Limited (“LV”) dealt with an escape of water claim on their home insurance policy.

Mr A and Ms T are joint policyholders. As most of the communication relating to their claim and complaint has been from Ms T, I’ll refer mainly to her in my decision.

LV is the underwriter of this policy, i.e. the insurer. Throughout the claim Ms T has dealt with other companies who act as LV’s agents. Since LV accept it is accountable for the actions of its agents, in my decision, any reference to LV includes the agents.

What happened

Ms T had a home insurance policy with LV. A complaint has been investigated and decided by this Service previously in 2021.

Ms T is unhappy that there has been further damage to a pipe that LV previously repaired, which she says indicates poor workmanship.

In April 2024 Ms T says the downstairs toilet would not flush, so she called a plumber. When the plumber attended Ms T was advised to contact a company who could use cameras to see what was causing the blockage. So, Ms T contacted a draining agent who took photographs and provided a report.

LV said the damage to the pipe would need to be registered as a new claim, but Ms T says the problems in the kitchen were related to faulty pipework under the kitchen floor. Ms T says the collapsed pipe was part of the reinstatement work which means it was either not replaced correctly or was damaged during the works.

Ms T also complains her contents claim remains outstanding.

Ms T says as a result of the damage she is no longer able to use her downstairs toilet which is causing upset and stress since a seriously ill family member needs to have access to a toilet. LV say it’s highly unlikely the damaged pipe is connected to the work LV carried out five years earlier; and if it was the issue would have occurred earlier. Because Ms T wasn’t happy she complained.

Our Investigator considered the evidence and concluded that LV hadn’t treated Ms T fairly. She said Ms T had raised concerns about where the water was escaping to, and whether her home is structurally sound. The Investigator recommended LV complete its investigations into the drains and provide the option of three contractors to complete the investigations and then confirm the next steps. She said it would be reasonable for a structural engineer to be appointed given Ms T’s concerns. If the investigations conclude the current damage is linked to the previous repairs then LV should consider the matter as one claim and reimburse Ms T for the excess paid on the current claim. The Investigator also recommended LV pay Ms T £500 for the trouble and upset caused.

LV didn't agree. It said it should be allowed to complete its investigations into the drains and once that is complete it can take appropriate steps to resolve the repairs. If, following that, there is a need to appoint a structural engineer it would consider doing so. It also didn't agree with the level of compensation recommended. LV also offered settlement of £5,000 for the contents claim in order to bring that part of the claim to a close.

My provisional decision

I issued a provisional decision on this matter on 14 October 2025. I said:

I'm aware there have been other issues Mr A and Ms T have raised previously regarding their claim with LV – and I can see they have brought other complaints to our service. But my decision focuses on the issues raised by Mr A and Ms T in their complaint dated 12 August 2024.

Ms T's previous complaint was decided by an Ombudsman, so it is not my intention to comment further on those complaint points or directions.

Leak linked to previous claim

Ms T arranged for a company to attend to inspect the downstairs toilet blockage with a camera and provide a report. The report says, "CCTV survey for suspected broken pipe or something lodged in pipe under kitchen. This shows a broken pipe/partially collapsed 100mm clay pipe, only being able to see half the clay and there is a cavity just above. Also able to see blockage further down."

LV sent its contractor to attend. The report confirms, "located the IC (inspection chamber) access at the rear of the property that services the affected WC. An initial survey upstream towards the WC revealed a blockage within a buried manhole situated beneath the extension". It goes on to say, "This suspected buried chamber is positioned approximately 0.5m upstream of the external IC". LV's contractor recommends clearing the obstruction and installing the necessary liners. It also said it would need to visit again to scope the work to expose the chamber and repair where necessary.

I know Ms T strongly believes the current issue with the pipe is linked to work carried out by LV during a previous claim. But I haven't seen any independent evidence to confirm this. Ms T's report refers to a broken pipe or something lodged in a pipe under the kitchen. And LV's contractor appears to confirm this by referring to a blockage within a manhole under the extension. Without further investigation I am not persuaded the current issue is linked to the previous claim. So, I can't say LV have acted unreasonably in wanting to inspect the damage before taking any further steps.

I empathise with the situation Ms T finds herself in. I am aware of the difficulties she is currently facing. In the absence of any independent evidence that confirms the damage to the underground pipes is as a result of faulty workmanship I can't say LV's actions here are unreasonable.

If, following further investigations, it becomes apparent that the current issue has been caused by poor workmanship then I would expect LV to rectify this damage as part of the original claim and at no further cost to Ms T. I would also expect LV to reimburse Ms T for the excess she has paid on the most recent claim.

Since Ms T's complaint has been referred to this Service, LV have agreed to appoint a firm of structural engineers to attend Ms T's property, along with their drainage contractor in order to carry out a drain survey and an inspection of the property's structural integrity. And I

think that's a fair and reasonable way to resolve Ms T's complaint. So, it is my intention to direct LV to do this.

Contents claim

The contents claim has not been settled. A contractor previously drew up a list of contents and images for each of the items. Our Investigator recommended the same list be used and for LV to offer a cash settlement based on those items. LV didn't agree to this and instead offered £5,000 settlement for all of the contents. Ms T didn't agree with this since it wouldn't adequately indemnify her for her damaged items.

LV is concerned it would settle for items that would then not be disposed of and, since its only liable to cover the cost of damaged items, this wouldn't be fair under the terms of the policy.

LV say it will carry out its own 'new for old' costing process for the contents listed and place a value against each item in order to reach a fair settlement for the contents. Having carefully considered things, I think this is a fair and reasonable way to resolve the contents claim.

Compensation

Ms T indicates she will accept £500 in compensation for the distress and inconvenience caused. I can see LV has taken steps to try and resolve matters for Ms T and that's what I would expect it to do.

When the claim was initially reported LV arranged for its contractor to attend to inspect the pipes. The contractor provided a report of its findings in order for LV to determine whether the damage was covered by the terms of the policy. I think it is fair for LV to want to ensure that any claim was covered by the terms of the policy.

Having considered the circumstances of this complaint, I think LV's overall handling of the claim has been reasonable. Ms T reported the blockage to LV, and it sent its contractor to inspect and carry out any required remediation. The contractor did this by clearing the blockage and provided a report on the next steps. And so, I'm satisfied LV has acted within the terms and conditions of the policy.

Conclusion

Home insurance policies are generally policies of indemnity, which means they aim to put the policyholder back in the position they were in before the loss or damage happened. Ms T is entitled to effective and lasting repairs to her property. But LV is entitled to make a commercially sensible decision. So, it is reasonable to try and keep costs down while still ensuring Ms T is indemnified under the terms of the policy.

I understand my decision doesn't go as far as Ms T would like. I do empathise with Ms T who is dealing with some very difficult personal circumstances. And she has concerns about which contractors are appointed and the quality of any repairs undertaken. It appears each party disagrees on a number of issues. I've needed to think about what is fair and reasonable for both parties, taking into account their representations and concerns, and keeping in mind that this matter does need to reach a conclusion. So, while I appreciate the conclusions I've reached here are likely to be disappointing for Ms T, I hope they will help this claim move forward.

Response to my provisional decision

LV accept the findings of my provisional decision.

Ms T didn't specifically accept my provisional decision, but she did make a number of points which in summary were;

- The reference above where I say, '*LV said the damage to the pipe would need to be registered as a new claim, but Ms T says the problems in the kitchen were related to faulty pipework under the kitchen floor*' should say, '*the problems relate to faulty pipework laid under the kitchen which resulted in the collapsed pipe into the main drain*'. This point is noted but makes no material difference to the outcome.
- The reference above where I say, '*LV say it's highly unlikely the damage pipe is connected to the work carried out over five years earlier and if it was, the issue would have occurred earlier*'. Ms T would like it noted it's been almost eight years, and pipework is expected to last 50 to 100 years. This point is noted but makes no material difference to my outcome since further investigation is required.
- Ms T says the inspection company she appointed took photographs that show workman's bags stuffed in there. This point is noted.
- LV's report refers to an entrance area with a chamber— Ms T says there is no chamber and that it doesn't make sense for there to be a chamber there. Ms T says if the floor needs to be dug up then LV should pay for reinstatement. I am not able to make a finding on what may happen, so I don't intend to comment further on this point below.
- Ms T says she didn't stop LV from sending contractors out – she wanted to know the plan beforehand and to be made aware of qualifications of those attending to ensure an adequate assessment would be carried out. This point is noted but makes no material difference to the outcome.
- If the leak is found to be linked to original then LV should refund the additional premiums. This is a new complaint point not dealt with in the scope of this complaint and so is not something I can comment on here.
- Contents claim - Ms T says there is no mention of missing items in the provisional decision. The spreadsheet included kitchen cupboards as new for old, plus other items. A previous final decision has already considered the kitchen units and so I am unable to comment on that point.
- LV agreed to cover sentimental items without Ms T needing to return the items including a table, some carpet, and some photos so the final decision should refer to this. I have covered the outstanding contents claim in my decision. I don't need to mention each complaint point in my decision – only what I consider to be the crux of the complaint.
- Ms T was told to use the outside toilet but decided not to use it due to the ongoing leak. This point is noted.
- LV have agreed to send a loss adjustor to assess the property further. Ms T says LV have the report already so don't need to review it again. My direction to put things right is for LV to make arrangements to attend again in order to resolve the claim and agree next steps for resolving the current claim. I think that's a fair and reasonable way to resolve the complaint and move matters forward.
- The provisional decision doesn't make it clear about the £500 compensation recommended by the Investigator. I will refer to this point below.

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 haven't been provided any information from either party which alters the findings set out in my provisional decision. So, the findings set out in my provisional decision are now that of this, my final decision. I note Ms T wants me to consider the points above, so I have clarified those where I am able to.

I understand Ms T wants me to direct a claim settlement including new kitchen cabinets and the sentimental items detailed above. If the sentimental items have been agreed by LV previously then I don't need to make a finding since they are not in dispute. The kitchen units were considered in a previous decision, so I don't intend to cover them here.

With regards to the existence of the chamber while I don't doubt what Ms T says about it, I am reliant on the expert evidence in order to consider the claim. And I haven't seen any independent evidence that confirms the chamber isn't there. I think the fair and reasonable outcome is that LV must consider the claim in its entirety in line with its policy terms. I realise this means Ms T will need to reengage with LV, but it isn't the role of this Service to decide or handle claims, we review complaints.

In respect of the compensation, I found that LV's overall handling of the claim has been reasonable. Ms T reported the blockage to LV, and it sent its contractor to inspect and carry out any required remediation. And that's what I would expect LV to do under the terms of the policy. So, I don't intend to direct LV to pay any compensation in respect of its handling of the claim.

I am sorry to hear about the impact the claim has had on Ms T, especially given her personal circumstances. And although I've had to have regard to what happened since matters were decided by this Service in 2021, the complaint I've considered here is about whether the current claim is linked to the previous repairs and whether LV acted fairly in its handling of the matter. So, I can only consider what happened overall in so far as it relates to LV's handling of the current claim.

As previously stated I appreciate the conclusions I've reached here are likely to be disappointing for Ms T, but I hope they will help this claim move forward.

Putting things right

In order to resolve this complaint LV should;

- Appoint a loss adjustor to attend the site jointly with a structural engineer after reviewing the drainage reports already commissioned.
- Carry out a 'new for old' costing of the agreed spreadsheet with a view to reaching an agreed settlement.
- If the current claim is found to be caused by poor workmanship on the previous claim then LV should rectify the damage as part of the original claim and at no further cost to Ms T. LV should also reimburse Ms T for the excess she paid on the most recent claim.

My final decision

For the reasons I've explained I uphold this complaint and require Liverpool Victoria Insurance Company to resolve matters by doing what I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Ms T to accept or reject my decision before 9 December 2025.

Kiran Clair
Ombudsman