

## The complaint

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

## What happened

In 2019 Miss R made a subsidence claim to LV. LV's loss adjuster, in April 2020 felt the property was stable and the claim could reasonably move to the repair phase. However, with the Covid-19 pandemic affecting the country the claim did not progress. After matters resumed in 2022 further movement was found at the property. However little else happened until 2024 when an arborist was appointed to consider if and what vegetation at the property might be affecting the property's stability.

It was shortly after the arborist's involvement that LV, in September 2024, issued a final response letter to a complaint Miss R had made to it on 4 July 2024. LV accepted there had been some delays in the claim to that point and offered £100 compensation. Miss R was unhappy and brought her complaint to this Service.

Our Investigator considered whether compensation of £2,000 might be reasonable in the circumstances here. However following a further review, she felt compensation of £1,000 was fair and reasonable.

LV had been unhappy with the suggested award of £2,000. But said it would agree to pay £1,000 compensation.

Miss R was unhappy with either sum. She said she'd had financial losses of around £7,000 – taking into account events which occurred after LV's September 2024 FRL but also because she'd had to miss work to attend additional meetings with LV in the early years of the claim. She noted she'd been paying an increased premium in the years the claim had remained open too. Miss R suggested the value of the property had likely been impacted by having a claim ongoing for so long. She said she's discussing with LV the financial impact on her of increased utility bills and she'd still like LV to pay to replace vegetation in her garden which it had been necessary to remove to resolve the subsidence.

The complaint was referred to me for an Ombudsman's decision. Having reviewed it, I was minded to think LV had failed Miss R and should pay her a total of £2,000 compensation for the upset it had caused (non-financial loss). But I wasn't minded to say it should pay anything to compensate for Miss R's reported financial loss.

My provisional findings were:

*"My findings below are quite brief, I trust the parties will understand I mean no disrespect by this. Rather I've chosen to approach the complaint in this way to get straight to the heart of the matter. And this is in line with our role as an informal dispute resolution service.*

*Having reviewed LV's file it seems the first loss adjuster made an error by not investigating vegetation in the vicinity of the property. An arborist was then only instructed in 2024. So I'm*

*satisfied that errors at the start of the claim caused at least two years of delay. And I say that bearing in mind the Covid-19 pandemic, starting in 2020 and continuing through to 2022, was always likely to have had a negative influence on the claim, even had LV done things differently. For a delay like that (of more than a year) I'm satisfied that £2,000 compensation is fairly and reasonably due – with £1,000 being more like the level we'd award when a claim is delayed by just up to a year.*

*I know Miss R has said that even the sum of £2,000 is not sufficient given what she says are her financial losses. It may help Miss R to know that we consider compensation for non-financial loss separately to that for financial loss.*

*Clearly when LV resumed the claim after the pandemic, Miss R had to be involved with various meetings and the like. I haven't seen, to date, any evidence which shows Miss R lost income to attend meetings. If there was evidence of that I'd then have to think about whether that particular meeting was one which would always have been necessary – or was only necessary on account of any failing by LV. I note Miss R has referenced needing to be available for things like monitoring appointments – but they are something I'd usually think of as being a necessary part of a subsidence claim. At the minute I'm not persuaded that LV is reasonably responsible for Miss R losing income to attend appointments which it wouldn't have been necessary for her to attend had LV handled the claim in a reasonable manner.*

*For any financial loss occurring after September 2024, I can't consider that as part of this complaint. I'm aware Miss R has another complaint with this Service covering that period.*

*I know Miss R is concerned about her policy premium. But having a claim, whether it remains open or not and for how long is often likely to influence the price paid for cover. That said, LV has accepted delays have occurred. And I've found there was likely around two years of delay here. So, once the claim had been finally resolved, Miss R would be able to ask LV to review the premiums charged over the years and this Service would expect it to give reasonable consideration to if any costs need revising. To be clear, I'm not making a finding here that the premium should be revised – nothing could be decided about that until the claim has concluded and LV has had a chance to consider any complaint Miss R makes regarding the effect of the claim delay on the premium.*

*I appreciate that Miss R is concerned about the value of her property. But if anything it would likely be the subsidence claim itself which would affect the long term value on a property – not having had a claim open for a number of years.*

*I can see Miss R is discussing utility usage with LV. If once it has given an answer on that, Miss R remains unhappy, she could make a further complaint about the quantum LV is or isn't offering at that time.*

*I understand Miss R wants LV to cover the cost of replacing vegetation. But this is not something I'd usually require an insurer to do. Simply put the vegetation needed removing to resolve the subsidence in order for LV to complete lasting repair of the property. So 'losing' the vegetation was a necessary consequence of the claim. An insurer is not liable for remedying that. And Miss R should bear in mind that any significant replanting scheme might cause further instability issues in the future.*

*In summary, I haven't found that LV should reimburse or compensate Miss R for any financial losses. But I have found that it should be paying £2,000 compensation for non-financial loss. To be clear that sum of £2,000 is in line with our guidance for awards where there's been sustained distress or severe disruption to daily life typically lasting more than a year. Which I'm satisfied has occurred here on account of LV's failure to handle the claim in a reasonable manner.”*

LV said it accepted my findings.

Miss R said she would accept the award but she was disappointed overall and felt acceptance was the only way she'd achieve any recompense. But Miss R also asked that I review everything I'd said, about the compensation sum, as well as the financial loss she'd reported incurring (given the need for her to attend meetings and the like) – emphasizing that the claim had been going on for seven years.

### **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 do appreciate that this claim, overall, has gone on for an extended period. I absolutely understand that Miss R expected it would have been resolved relatively quickly and, because it has not been, that has impacted her life significantly. I know she thinks that any/all appointments which took place before 2024 would have been avoided if LV had handled matters better. However, that was all considered by me when I came to my provisional findings. And, whilst I've reviewed this again, following receipt of Miss R's comments, I've not seen anything to make me change my view.

This claim was never going to have resolved in a matter of months. I realise Miss R thinks that involving an arborist earlier would have meant the vegetation could have been swiftly removed and repairs to the house could have been completed shortly thereafter. But a claim like this is just not that simply dealt with – in my view it's most likely that some monitoring would always have been required and the claim would always likely have ended up being impacted by the pandemic.

I note Miss R, in early 2024, turned down, or withdrew her acceptance of, a job offer. As I understand it, she felt she couldn't take the job on with the commitments the claim was demanding from her, especially as she was, at the time, under the impression repairs would soon start. I'm sorry Miss R felt she had to turn this work down. But, as I've said, the claim itself would always have required her input and time – that is the same for any policyholder. As such, I wouldn't usually place responsibility for the decisions policyholders make, on how they manage those demands, and the consequences which result, at the insurer's door.

I understand it is frustrating for Miss R to see her cost of cover go up. I know she thinks that shouldn't happen whilst her home remains unrepaired/ her claim is unresolved. However, insurers routinely re-rate policies at each renewal, whether or not claims are ongoing. If an insurer has caused delays in a claim – as LV clearly has done here – then that is dealt with separately. It may be that compensation is awarded – as it has been here. And once a claim is resolved – once the full period over which the claim has been avoidable delayed is understood – this Service would then expect the insurer to review the premiums charged.

I know Miss R is concerned about how the claim currently, outside of our complaints processes, is progressing. I know Miss R is aware I can't get into that here. But I do sincerely hope that LV, in light of Miss R's complaints and the decisions by this Service, is endeavouring to do all it can to ensure further mistakes do not occur, that the claim move to completion as swiftly and smoothly as possible.

In terms of this complaint – covering the period up until the September 2024 FRL, my provisional findings have not changed. They, along with my comments here, are now the findings of this, my final decision.

**My final decision**

I uphold this complaint. I require Liverpool Victoria Insurance Company Limited to pay Miss R a total of £2,000 compensation for the upset she's been caused by its failures.

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**