

## The complaint

Mr S and Mr S complain about Liverpool Victoria Insurance Company Limited's decision to decline a claim under their buildings insurance policy.

Mr S and Mr S are joint policyholders, but most of the communication regarding the claim and complaint has been from the main policyholder. So, this is who I mean when I refer to Mr S, and who I'll refer to mainly in my decision.

Liverpool Victoria Insurance Company Limited (LV) has been represented on the claim by its agents. For simplicity, at points, I've referred to the actions of LV's agents as being its own.

## What happened

Mr S made a claim for damage caused by subsidence, during which damage was discovered to an underground drain-pipe (the drain). A separate claim for accidental damage to underground services was therefore raised in March 2024.

LV initially agreed to repair the drain. But later, in April 2024, after excavation works, it declined the claim as it said the drain was a lateral drain, outside Mr S's property boundary, so he wasn't responsible for it. LV refused to repair all the drain damage. Instead, it carried out repairs to one section which it said was within Mr S's property boundary.

Mr S complained. He said the entire damaged drain area ran under his property. LV issued a complaint response in September 2024. It accepted there were errors with its initial assessment and agreement to repair. But it maintained its decision not to repair the remaining damaged sections of the drain. LV said this was because this was outside Mr S's property boundary. It said this was the responsibility of the water company (TW).

Mr S contacted TW. TW attended on three occasions during September 2024 and concluded the damaged drain was a private line, serving Mr S's property, and was his responsibility.

Mr S referred his complaint to the Financial Ombudsman Service. In January 2025, he told our service he paid to have the drain repaired himself. LV only agreed to cover the cost to reinstate the area it had previously excavated.

The Investigator upheld the complaint. They said they were persuaded the damaged drain was Mr S's responsibility. They recommended LV pay the cost Mr S incurred in repairing the drain, with interest. And they said it should consider other costs under other sections of cover in the policy. Finally, they said LV should pay Mr S £1,000 compensation for the distress and inconvenience caused.

LV didn't agree. It said TW hadn't provided enough information about why the drain was Mr S's responsibility. It maintained the drain was a public lateral drain outside Mr S's boundary, owned by TW (and therefore its responsibility) under the applicable regulations.

Because the complaint couldn't be resolved, it's been passed to me 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.

The rules which govern our Service require me to take into account relevant considerations, such as the relevant principles and what I consider to be good industry practice. My overriding remit under the rules is to make an independent and impartial decision based on what I think is fair and reasonable to both parties in the circumstances.

I should first set out that I acknowledge I've summarised Mr S's complaint in a lot less detail than he has presented it. Mr S has raised a number of reasons about why he's unhappy with LV. I've not commented on each and every point Mr S raised but, instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy by this, but it simply reflects the informal nature of this service. I assure Mr S, however, that I have read and considered everything he's provided.

I wouldn't expect LV, as the insurer, to deal with anything Mr S doesn't have responsibility for. So I've considered whether it was fair for LV to say Mr S wasn't responsible for the drain.

In reviewing the information, I note that LV has been inconsistent with its reasoning, so I don't consider its findings overall to be persuasive. It initially proceeded on the basis the drain was Mr S's responsibility (and ran within his boundary). It then said the drainage ran outside Mr S's boundary and was a lateral drain. I've also seen notes to show it considered the pipe in question to be shared, and when its subsidence agent offered to do repairs, LV declined as TW may object. Later, LV said whether or not the pipe was within Mr S's boundary was irrelevant, and refused repairs even though TW said it was Mr S's responsibility and served only Mr S.

And while I can appreciate from LV's video why it initially refused to do the repairs, I'm not persuaded it was fair for LV to do so. I'll explain why. After Mr S asked TW to complete the repairs (following LV's refusal), TW attended Mr S's property on three occasions, to inspect what Mr S had excavated already, and to carry out its own excavation. Having done so, TW was express in its position that the damaged drain was serving Mr S's property only and was a private line. So TW said it was Mr S's responsibility.

LV said TW's comments are brief, but I consider its findings to be clear and express, as outlined above. LV also referenced regulation, but I consider it likely TW reviewed the matter of responsibility, keeping in mind the applicable rules, along with the location of the drain based on the excavations. Ultimately, I find the comments from TW, following multiple visits and having inspected the drain following further excavation, to be persuasive in the circumstances. And I don't think this supports LV's suggestion the drain is a lateral drain that is TW's responsibility. So overall, I'm persuaded the drain was Mr S's responsibility. It follows that I don't consider LV acted fairly in declining the claim for all the damage.

Mr S said he carried out the works to repair the drain himself. Given the progress of works under his subsidence claim seemed dependant on the drain repairs, I think he acted reasonably. I've listened to Mr S's call with LV's June 2024, and I'm not satisfied LV said it would cover the full cost of Mr S's own repairs. But, for the reasons outlined above, I think LV should pay Mr S the reasonable costs he incurred in carrying out the drain repairs, at the rates he paid. And because I think Mr S was unfairly deprived of the money he paid, LV should add interest to any amount it pays Mr S for this. This will be subject to Mr S providing proof of the costs - I understand he's provided some of this to our Service already.

Mr S also said he had to demolish an outbuilding, based on advice from an Engineer on how

to complete the repairs. So, in considering the costs Mr S has incurred, I think LV should pay Mr S any costs he had to incur, in order to repair the drain, with interest. Again, this too will be subject to Mr S providing proof of the costs. LV is of course free to consider if payment for this cost is to be met under any other parts of the policy cover.

Ms S said he suffered financial loss beyond the above, as a result of LV's refusal. But I've not seen sufficient evidence to persuade me of these losses. I've also not seen sufficient evidence to persuade me LV's actions caused Mr S physical injury. I'm conscious LV offered to reinstate damage from its excavations - albeit I understand why Mr S chose to refuse.

But, having reviewed the information, I'm satisfied that LV's refusal to cover the drain damage caused Mr S substantial distress, inconvenience, upset and worry, over a sustained period. I say this because I think it's likely the delays in repairing the drain damage, impacted the time it took to settle and resolve the original subsidence claim. And this meant it took longer for repairs to take place to Mr S's property, including to the drain and his home. LV's refusal also meant Mr S had to arrange and pay for the works himself, and in his own time. Overall, I agree with the Investigator that £1,000 compensation is fair and reasonable in the circumstances, so this is what I will direct LV to pay.

### **My final decision**

My final decision is that I uphold this complaint.

Subject to my comments above, I require Liverpool Victoria Insurance Company Limited to:

- Pay Mr S and Mr S the reasonable and necessary costs incurred in repairing the drain.
- Add interest to the above, at the rate of 8% simple per year, from the date Mr S and Mr S made the payment, to the date of settlement\*.
- Pay Mr S and Mr S a total of £1,000 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mr S to accept or reject my decision before 2 March 2026.

\* If LV considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr S and Mr S how much it's taken off. It should also give Mr S and Mr S a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Monjur Alam  
**Ombudsman**