

The complaint

Mr S complains about Liverpool Victoria Insurance Company Limited's decision to decline a claim relating to water damage at his home.

What happened

The background to this complaint is well known to both parties, so I'll provide only a brief summary here.

Mr S has a home insurance policy underwritten by LV to cover his home and its contents, amongst other things. He made a claim in July 2024 after noticing water damage to the ground floor of the property.

LV investigated the claim, commissioning reports from a leak detection company (which I'll refer to as S) and a drainage company (A). S attended the property in August 2024 and January 2025. A attended in January 2025 and July 2025.

Mr S also commissioned a report from a damp specialist (J), in December 2024.

In short, LV have declined the claim on the basis that the damage to the ground floor of the property has not been caused by an escape of water – or indeed any other insured peril.

Mr S disputes this. Most recently, he's suggested that there has been an on-going leak from the (shared) mains water supply into the property, which has led to water gathering under the ground floor of the house.

He made a complaint to LV. They maintained their view that the damage wasn't caused by an escape of water but by rising damp. So, Mr S brought his complaint to us.

Our investigator looked into it and didn't think LV had done anything wrong. He thought the currently available evidence justified LV's position on the claim.

Mr S disagreed and asked for a final decision from an ombudsman.

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 key issue in this case is relatively simple. If the damage to Mr S's property was caused by an escape of water, then it's likely it will be covered by Mrs S's policy and LV should carry out or pay for the necessary repairs. If not, and given that no other insured peril has been identified, then it's fair and reasonable for LV to decline the claim.

I understand how upsetting and frustrating this situation must be for Mr S. However, whilst I know he'll be disappointed, I'm not going to uphold his complaint. I'll explain why.

S have attended the property twice, on LV's instruction. They've carried out extensive testing

within the property. And they've been unable to find any escape of water that might account for the damage to the property.

S have twice tested the boiler pressure, the cold water pressure, the hot water pressure and the mains supply. They've also carried out thermal imaging and flow and dye tests. All of those test results suggest there is no leak at the property. Salts tests have shown that the damp is likely being caused by ground water or drain water.

After their first visit, S recommended a drainage survey and a damp survey.

The drainage survey (carried out by A, in January 2025) uncovered a pipe connection displacement in one of the drains outside the house. This was fixed, with repairs covered by LV.

It was A's view that any leak was relatively small and remote from the damp-affected areas in the house. Their conclusion was that the displacement could not have caused the damage to the property.

The damp survey (carried out by J, in December 2024) said that there might be a leak between the hall and living room – and, if so, that would need fixing before other works commenced.

However, J gave no evidence to support the idea that there was leak. And they said only that a leak was possible.

Their other findings are illuminating. They said there was no evidence of rot to the floor of the house – which one might have expected if there had been a long-standing leak.

More importantly perhaps, they said the ground level outside the front of the house was elevated – and not 150 mm below the damp proof course – as required by building regulations.

They also said air bricks and vents had been blocked, affecting the necessary air flow under the property.

And they said the pattern of dampness in the property indicated moisture rising "*due to the breakdown or bridging of the previous damp proof course*". They also carried out a rising damp test which gave positive results.

J recommended a new damp proof course in certain areas of the external walls. And lowering of the external ground levels to 150mm below the damp proof course.

Looking at all of that available expert evidence then, I can't reasonably say that it was unfair for LV to conclude that the damage at the property was the result of rising damp rather than an escape of water.

Mr S has pointed out that in June 2025, the local water authority wrote to the property owners sharing the mains supply pipe to point out that they'd detected a very significant leak from that mains supply. This issue has now been fixed, as I understand it, at Mr S's (and the other property owners') own expense.

It's Mr S's view that this leak had likely been on-going for some time previous to June 2025. And that it was likely responsible for the damage to his property.

I can see why Mr S has linked the leak with the damage. However, I think there is a degree

of coincidence here. I don't believe, on balance, that the leak was on-going back to before July 2024 (when Mr S first made the claim).

I say this because the water authority's notification of the leak expresses a degree of urgency in getting the problem fixed. If the leak had been on-going much before June 2025, I think the water authority might have acted sooner.

It's also clear that S tested the mains supply twice (in August 2024 and January 2025) and found no leak.

In January 2025, A also attended the property. It's extremely unlikely they'd have failed to notice an on-going and significant leak in that area.

Mr S also told A that he'd had a trench drain installed at the foot of the external wall at the front of the property because water had previously collected and sat against the wall in that area. This may also help to explain, at least in part, the damp issues at the property.

In summary, it appears to me that the expert evidence suggests that the problems at Mr S's property are not due to any leaks of water but due to rising damp and a failed or compromised damp proof course. So, it's not unfair or unreasonable for LV to have declined his claim.

If further evidence emerges – perhaps in the course of Mr S having damp proofing or other works carried out – to suggest that the issues may in fact have been caused by an insured event, then I'd expect LV to consider that new evidence and review their decision on the claim.

My final decision

For the reasons set out above, I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 March 2026.

Neil Marshall
Ombudsman