

The complaint

Mr and Mrs L complained that Liverpool Victoria Insurance Company Limited (“LV”) unfairly declined to provide alternative accommodation (“AA”) after a storm damaged their home.

What happened

Mr and Mrs L said LV accepted their claim for storm damage to their roof. The damage had resulted in rainwater ingress to one of the bedrooms. They said the bedroom, used by their two sons, was uninhabitable. This meant one had to sleep in their room and the other in the living room. Mr and Mrs L said this caused disruption, which was made worse as both sons have health conditions.

Mr and Mrs L explained that their daughter has a health condition that is also affected by the mould that developed. They asked LV to consider arranging AA for their family but it declined. So they complained.

In its final complaint response LV said Mr and Mrs L’s home had cooking, sleeping, eating and washing facilities. This meant it classed the property as habitable and would not offer AA. It said it had offered to carry out a ‘bio-clean’ to remove any mould in the affected bedroom. Additionally the business said it had offered to provide air beds for the displaced family members. LV said these offers were still available. But it would not arrange for AA.

Mr and Mrs L didn’t think LV had treated them fairly and referred the matter to our service. Our investigator didn’t uphold their complaint. He acknowledged the health conditions Mr and Mrs L described. And agreed that some disruption and inconvenience had resulted from the storm damage. But he didn’t think LV acted unreasonably when declining to provide for AA.

Mr and Mrs L didn’t accept this outcome and asked for an ombudsman to consider their complaint.

It has 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.

Having done so I’m not upholding this complaint. I’m sorry to disappointed Mr and Mrs L but I’ll explain why I think my decision is fair.

Mr and Mrs L’s policy provides for AA whilst their home is unfit to live in due to an insured loss. This covers the additional cost of suitable accommodation for them, their family and their pets, up to the policy limit. There is no dispute that an insured loss occurred. LV accepted damage had been caused by a storm. So, I’ve thought carefully about whether it acted fairly when it declined to provide AA.

The policy terms don't provide any further clarification of AA cover. In its response to Mr and Mrs L's complaint LV said an uninhabitable property is one that lacks cooking, sleeping, eating, and washing facilities.

Our service has a similar approach to considering whether AA is required. Namely that the property should provide for cooking, bathing and toilet facilities. If it can't then the insurer should arrange for AA in line with the policy terms. In this case the damage was contained within the bedroom used by Mr and Mrs L's two sons. There was no damage elsewhere in their home. So all the facilities that make a home habitable were available. This is the argument LV gave for not arranging AA.

I acknowledge Mr and Mrs L's position that their two sons had to sleep elsewhere in the house, which caused disruption and inconvenience. Also their explanation that their sons health conditions are impacted by changes in routines.

In its response LV commented that moving to a new property would also result in disruption and a change to routines. Additionally, it said the door to the affected room could be kept closed. This would solve the damp/mould concern relating to Mr and Mrs L's daughter's health condition. I think the points it has made here are fair.

AA offered to arrange a professional clean of any mould that had developed in the affected bedroom. I think this was reasonable to address the concerns raised. It also offered to pay for air beds. Again I think this was reasonable to allow for temporary sleeping arrangements to be put in place.

I understand that the situation following the storm was less than ideal. But some element of disruption and inconvenience is unavoidable in circumstances like this. I don't dispute that Mr and Mrs L's children suffer from health conditions. But I'm not persuaded, from what I've read, that LV should have arranged for AA. Mr and Mrs L explained that their younger son stays with them every other weekend. He was able to be accommodated in their room with their elder son sleeping in the living room. Again, I accept this caused some disruption. But I don't think it reasonably shows that Mr and Mrs L's home was uninhabitable.

Mr and Mrs L claim was registered in September 2025. The claim was assessed and a settlement was offered in a reasonable timeframe. They decided to use LV's appointed contractors. I understand this was because the quotes Mr and Mrs L obtained privately cost more than the settlement they were offered. LV's policy terms limit a cash settlement to what it would pay its contractor to do the work. So, I can't say that this was unfair. I can see that the repairs were booked in for the end of October when the contractor was next available. Again I don't think this was an unreasonable timeframe. So, although Mr and Mrs L and their family were inconvenienced by the loss they incurred, I don't think LV acted unfairly when it declined to provide AA in these circumstances. Because of this I can't reasonably ask it to do any more.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 15 May 2026.

Mike Waldron
Ombudsman