

The complaint

Mr F and Miss A complained that Liverpool Victoria Insurance Company (“LV”) unfairly declined their claim for damage caused by an escape of water under their home buildings insurance policy.

What happened

Mr F and Miss A contacted LV on 19 September 2025 to register a claim for water entering their kitchen from the bathroom above. They arranged for a report from a contractor along with a quote for the repairs.

LV declined the claim. It said ‘wet rooms’ were not covered. Mr F and Miss A disputed this decision as there was no wet room exclusion in their policy terms. They said LV then arranged for an inspection of the damage on 29 September 2025. But it again declined the claim. They said this time LV told them the damage was caused by several uninsured gradual causes.

Mr F and Miss A explain that they have a vulnerable child, and no support was provided by LV. They didn’t agree with the reasons for the decline of their claim and complained to the business.

In its final complaint response LV maintained that the damage was the result of gradual causes. It said this isn’t covered by Mr F and Miss A’s policy. The business explained that failed sealant and the incorrect installation of the wet room floor were responsible for the damage.

Mr F and Miss A didn’t think LV had treated them fairly and referred the matter to our service. Our investigator didn’t uphold their complaint. He was persuaded by the expert opinion LV presented that the damage had resulted from gradual causes not covered by its policy.

Mr F and Miss A didn’t accept our investigator’s decision 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 Mr F and Miss A’s complaint. I’m sorry to disappoint them but I’ll explain why I think my decision is fair.

It’s for the policyholder to show that they have suffered an insured loss, fire, theft, flood etc. If they can then generally speaking the insurer should pay the claim. This is unless it can reasonably rely on a policy exclusion not to.

Mr F and Miss A's claim was considered under an escape of water cause. This seems fair. It's clear that water has 'escaped' from the bathroom above the kitchen causing damage. So, I've focused on the reasons LV gave for declining the claim.

LV wrote to Mr F and Miss A on 23 September 2025. This followed a phone call earlier that day when the reason for the decline was confirmed. The letter explained that it had considered the report Mr F and Miss A provided from their contractor. The business said the policy covered fixed water tanks, pipes, or sanitary fixtures, as the source of an escape of water. It said a wet room tanking system does not fall under these insured items.

I've read the relevant policy terms. This confirms what LV said in its letter. However, Mr F and Miss A disputed this decision on the basis that a wet room isn't mentioned in the policy exclusions. The claim records show this point was considered by LV. It then determined the failed wet room vinyl flooring could be considered as a sanitary fixture. As a result, the business sent a surveyor to consider the cause of the damage.

I've read the surveyor's report. He determined the failure was because the vinyl flooring sheet hadn't been installed correctly. He said it had been cut too short allowing water to escape around the drain. The surveyor described the wet room floor as "*spongy*" due to an ongoing leak for, "*possibly sometime*". Photos are included in the report that show where the surveyor found the vinyl had been cut short and didn't extend far enough into the plastic drain. The photos also show sections of vinyl around the drain that had de-bonded.

The surveyor referred to the photos showing where the vinyl had been cut extending beyond the top of the drain. The surveyor highlighted this in his report to demonstrate poor installation of the wet room flooring. Additionally, the photos show dark staining around the plastic waste, taken from beneath the wet room floor. As well as dark staining to the joists and subfloor. The surveyor reported that this was not caused by a one-off leak.

I've read the brief report sent by the emergency contractor who was arranged by LV shortly after the incident was reported. The contractor said advice was given to Mr F and Miss A to seal around the shower drain. If this didn't work, it was advised that the wet room floor would have to be replaced.

Based on this information the cause of the leak was due to poor installation of the wet room floor. This is supported by the photos that show the vinyl doesn't extend fully into the drain, and that where the vinyl has been cut extends beyond the plastic waste. I find LV's surveyor's comments persuasive that it was this that allowed water to penetrate through to the sub-floor, and eventually to the kitchen ceiling, over time. Mr F and Miss A's policy doesn't provide cover for poor design or workmanship. Or for damage that develops gradually.

I've also considered the comments provided by Mr F and Miss A's contractor. The contractor said, "*Subflooring is rotten due to water damage*". The report said the cause was a "*sudden and catastrophic failure of the wet room tanking system*". The quote supplied with the report includes costings for replacing the subfloor, the tanking system, as well as removing and replacing the kitchen.

I don't find Mr F and Miss A's contractor's report particularly persuasive. The contractor refers to a sudden and catastrophic failure. Yet there is evidence of water damage to the subfloor that has likely been ongoing for some time. The contractor refers to "*rotten*" subflooring. But rot takes time to develop. This doesn't align with a sudden event. I'm not persuaded from this information that an insured cause is to blame for the damage Mr F and Miss A have claimed for.

I'm sorry to hear that Mr F and Miss A felt unsupported particularly as they have a vulnerable child. I've thought about the time LV took to validate their loss. An initial decline decision was confirmed within four days. However, I think it was fair that LV decided to reconsider the wet room flooring under its cover for sanitary fixtures. A decision was subsequently made on 29 September 2025. So, within ten days of Mr F and Miss A's claim being registered. LV should have considered the claim initially without applying a general exclusion for wet rooms. But insurers must validate all claims. This is to ensure an insured cause exists and that no policy exclusions apply. LV arranged for this to happen within ten days. I don't think this was unreasonable. It's clear that there is no policy cover for the cause of the damage reported here.

I can see that LV's claim handler recorded Mr F and Miss A's child's vulnerability. This was done when the claim was first registered. Given the relatively short time frame from the claim to the decline decision, I don't think the business could be expected to have done more to assist here.

Having considered all of this I don't think LV treated Mr F and Miss A unfairly when it relied on its policy terms to decline their claim for the reasons it gave. I'm satisfied the claim was handled in a reasonable timeframe. So, I can't fairly ask LV to do anymore.

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 Miss A and Mr F to accept or reject my decision before 29 April 2026.

Mike Waldron
Ombudsman