

The complaint

Mr and Mrs R are unhappy Liverpool Victoria Insurance Company Limited (“LV”) declined their claim for accidental damage under their home insurance policy.

What happened

Mr and Mrs R made a claim after they discovered rats entering their property. The issue with the rats had been ongoing for a few years. During this time Mr and Mrs R had approached the issue from several angles to identify the cause of the issue and to stop it from continuing, including inspections from their water company, pest experts and the council. In attempt to move the issue forward, Mr and Mrs R also manage to get support from their Member of Parliament.

Mr and Mrs R implemented several recommendations that were put forward by the experts to resolve the issue. Potentially, some of these solutions temporarily resolved the issue, but over time it seemed the rats found a different way to access the property.

The expert from the Council suggested that the issue must be caused by a drain or pipe under an extension that was constructed at the property before Mr and Mrs R moved into it. However, when they made a claim to LV to have the issue investigated, LV declined it under an exclusion in the policy. LV said a claim for accidental damage to the pipes was declined due to faulty workmanship.

Mr and Mrs R think this is unfair, as LV haven’t provided proof of faulty workmanship and no issues were raised on the survey report they had completed when they bought their house. So, they’d like LV to find the issue and if it caused by a broken pipe then they’d like the issue fixed.

Our investigator decided to uphold the complaint. He didn’t think LV had provided evidence of faulty workmanship, so he thought LV should investigate the issue more thoroughly using an expert. He also awarded £200 compensation for the distress and inconvenience caused to Mr and Mrs R. LV disagreed, so the case has been referred to 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.

LV in its response to our investigator’s view said it disagreed with his findings as he said *“the conclusions are that it is likely an uncapped pipe, and as I previously stated the customer has been having these issues with rats since 2022 and we have only been on cover since Sep 2024”*.

LV said the issue with the rates started before Mr and Mrs R had taken a policy out with it. LV didn’t raise this point with Mr and Mrs R during the claim. In fact, LV agreed there was a valid claim for accidental damage, as they reviewed and validated the claim on this basis, before declining it, relying on an exclusion in the policy for *“poor workmanship”*. Therefore, I’m not persuaded the issue was pre-inception. If LV want to continue to argue whether it

was pre-conception, then it has the right to do this with the previous insurer. But I'd expect LV to honour my findings in this decision, and then take this up with the previous insurer afterwards.

I also say this, as the issue seems to have been an ongoing one and possibly one caused by different causes. One expert reported "[they] got rid of the rates but have returned". So, I think it's not entirely clear when the most recent issue started.

Having read the various reports produced, it's clear that the source of the rats entering the household is through a pipe. From reading the detailed testimony of Mr and Mrs R and the numerous experts they've had look at the issue, they have done as much as they possibly can to resolve the issue and there needs to be a more detailed investigation to find where the rats are now entering the property.

LV have said "*it is likely an uncapped pipe*", but they have declined to investigate this further as they say the extension was built incorrectly and have relied on the "*poor workmanship*" exclusion to decline the claim. To rely on the exclusion, the onus is on LV to show that there is a fault in the design or the workmanship of the extension.

However, I have seen no evidence that LV has inspected the property to reach this conclusion. Instead, it chose to decline the claim based on the information Mr and Mrs R provided. Mr and Mrs R have no knowledge of the extension been constructed incorrectly. Their testimony contradicts this, as they have explained they had a survey when they bought the property and there were no issues highlighted in this respect.

I haven't seen any evidence provided by LV from qualified experts that show that a faulty design or poor workmanship has been the cause of the issue, so until LV are able to do this (if it can) then I don't think it's reasonable for it to rely on the exclusion within the policy.

I think Mr and Mrs R have done everything they can to try and identify what is causing the issue. The experts have explained the rates are entering somehow through a pipe, but the actual entry point is unknown. It's possibly through a broken pipe caused accidentally.

Whilst the policy doesn't cover damage caused by rats, given what's happened, I think Mr and Mrs R should be able to rely on LV to carry out the necessary investigations to identify the exact cause of the issue based upon the policy terms. This should include a call with the expert from the Council. Once the issue is known, then the claim can be re-considered under the terms and conditions of the policy. If LV can prove the issue was pre-inception, then it can recover these costs through the previous insurer, if it can prove this is the case.

Therefore, I uphold this complaint. Given the distress and inconvenience these delays have caused Mr and Mrs R, I require LV to pay £200 compensation.

My final decision

My final decision is that I uphold this complaint. I require Liverpool Victoria Insurance Company Limited to:

- Fully investigate the claim under the terms and conditions of the policy and re-consider the claim based upon its experts' findings
- Pay £200 compensation – for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and X to accept or reject my decision before 3 March 2026.

Pete Averill
Ombudsman