

## **The complaint**

Miss H complains Liverpool Victoria Insurance Company Limited (“LV”) didn’t deal with an escape of water claim against her home insurance policy fairly.

Miss H is represented, but for ease of reading, I will refer to their actions collectively as hers. References to LV includes the actions of its agents.

## **What happened**

I issued a provisional decision. I said:

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Miss H had a home insurance policy with LV. In September 2022 she reported an escape of water. The claim is still ongoing, and several complaints have been raised. This decision considers what’s happened up to 25 March 2024.

Miss H has recently said the claim itself is now in hand and what’s left in dispute is solely fair compensation for the distress and inconvenience she’s been caused. To date LV has paid her £500 compensation (in total). She considers £4,000 to be fair and reasonable.

I will first set out a summary of what’s happened and my provisional findings.

- In mid-September 2022 Miss H told LV about a small leak under her kitchen floor. A few days later LV inspected the property. The leak was thought to have been repaired at the end of October 2022. Accessing the leak and repairing it wasn’t straightforward given its location, and I understand LV discounted that further damage was being caused, so it wasn’t an emergency. LV was not responsible for the leak itself, and while I accept the time it took to repair caused Miss H a great deal of distress, and that she considers LV caused avoidable delays, based on the evidence available to me I’m satisfied LV did what it reasonably could in the circumstances.
- Drying was then required but didn’t start until around the end of November 2022. This was mostly because of the difficulty LV had in finding suitable alternative accommodation for Miss H, and concern over running the drying equipment while she was home due to her (and her household’s) health conditions and pets. I understand Miss H moved in with a relative around the start of December 2023, with LV paying a disturbance allowance of £250 a week. I accept this arrangement wasn’t ideal for Miss H, but it seems likely it was the most appropriate option given suitable alternative accommodation couldn’t be found.
- In late January 2023 LV considered the drying complete and removed the dryers, but Miss H considered the property still damp. Discussions around

repairs commenced but following Miss H doing her own damp reading in March 2023 the dyers were reinstalled. About a week later the property was declared dry. Miss H was concerned with how long it took to dry the property, and with how thorough the drying was. But I'm satisfied, with what LV knew at the time, it dealt with the drying fairly. Drying took some time, but that's not unusual, the heating wasn't on for an extended time, and I understand the nature of the property (such as its age and design) made it susceptible to moisture.

- In early April 2023 a further leak was identified. Miss H considered it the same leak (in other words, the result of a failed repair on the part of LV), whereas LV considered it a new leak, on a different section of the pipe. As far as I'm aware, nothing material happened with this at the time. I find LV ought to have acted here to ensure the property was protected from further damage and that planned repairs were appropriate. Had it done so, what happened next may have been avoided in part, and some wasted efforts and further distress to Miss H may have been prevented.
- Instead, discussions continued over the existing scope of work and disputes over what was and wasn't covered, for example with the cupboard doors and the worktop, which LV considered damaged because of wear and tear rather than the (original) leak. In May 2023, following a complaint, LV paid Miss H £400 compensation in recognition of the distress and inconvenience she'd been caused by the way the claim had been dealt with. And it offered to contribute towards some of the disputed elements. As I understand it, no agreement was reached.
- Discussions continued and in July 2023 a cash settlement was offered to Miss H. The value of the cash settlement was in dispute but soon after there was a concern damp was coming back. A further inspection of the property took place. This revealed high moisture levels, mould and the need for strip out works. In August 2023 LV agreed to attempt to secure suitable alternative accommodation again and paid Miss H a further £100 compensation. I find that was an appropriate action given it was then clear the property would need further attention, but I find it unfortunate the leak – first identified in April 2023 – wasn't looked into until this point.
- Miss H was placed in alternative accommodation in August 2023, which I understand lasted until she returned home sometime in the spring of 2024. Miss H has explained how difficult the alternative accommodation experience was for her and her household. She says they were often in short term accommodation and had to move often (at least seven times) and sometimes at short notice. There were issues with some of their pets, which were at times housed by LV in pet accommodation (for about £350 a month at LV's expense), but at other times in the property requiring regular visits to look after them. From the evidence I've seen LV's provision of alternative accommodation did not go smoothly, conveniently or without a great deal of uncertainty for Miss H.
- Miss H appointed a loss assessor who arranged an inspection of the property in October 2023. The report said, in summary, that there were high moisture levels and there was likely an undiscovered leak. It said it thought the previous repair appeared to have failed and the floor was sinking as a result, along with other additional damage. I understand it later came to light it was a

new leak that was unlikely connected to the initial leak. While Miss H was understandably concerned that the claim was back to square one, as I'm not persuaded the second leak was caused by LV, it follows I can't fairly hold it responsible for its occurrence or the impact it had.

- In December 2023 LV reviewed things following contact from Miss H's loss assessor. It was said there was a leak, but it was unlikely related to the September 2022 leak. It was agreed the loss assessor would arrange strip out works and a repair, and that the loss assessor would arrange alternative accommodation for Miss H from January 2024, for six months. I find LV's agreement to allow Miss H's loss assessor to take the lead on things was fair and reasonable, given the loss of control and potential increased costs that would likely follow.
- The strip out works were complete by early 2024 and, presumably, the leak was found and repaired. There followed discussions between LV and Miss H's loss assessor over the scope of works, and I understand LV approved the loss assessor's costs in late February 2024. The information available doesn't set out what happened next, but I understand from Miss H the claim itself is now in hand, with the majority of the work having been completed by the loss assessor, at LV's expense.

An escape of water claim of this nature was always going to cause a certain level of distress and inconvenience. Here, while the claim has gone on for a long time, I'm satisfied based on the evidence available to me there were two separate leaks, and LV caused neither. But, under the contract of insurance, LV was responsible for putting right the damage caused by the leaks, and for providing alternative accommodation for Miss H while her property was uninhabitable.

While I accept Miss H is likely to disagree, I find LV has acted in good faith throughout the claim(s). This is apparent from the substantive records and correspondence I've seen which demonstrate its awareness of the vulnerabilities and needs of Miss H and her household, and LV doing what it reasonably could to assist them. But that doesn't mean it didn't make mistakes which had a significant impact on Miss H, most notably with the second leak not being addressed in a timely manner and issues with the alternative accommodation.

Miss H says she has lost out financially, namely because LV caused the need to travel to the property from the alternative accommodation regularly to look after pets. She says she borrowed £2,800 from family and friends to fund this. I'm not persuaded I can fairly require LV to repay that money as I haven't been presented with evidence that those costs were incurred, and if incurred, unavoidable. I'm also not aware of any other financial losses LV may be responsible for, such as unusually high energy bills, or duplicate council tax.

While I'm not persuaded there is a financial loss for LV to put right, I am persuaded there is a non-financial loss. LV did let Miss H down at times, and the impact of this on her and her household has been significant; more so than might otherwise have been the case because of their vulnerabilities and choice of pets. In my view, £1,500 compensation (in total) for the impact LV's failings have had on Miss H from the start of the claim(s) until 25 March 2024 is fair and reasonable in the circumstances.

#### *My provisional decision*

I intend to uphold this complaint and require Liverpool Victoria Insurance Company

Limited to pay Miss H £1,500 compensation, in total.”

LV accepted my provisional decision. Miss H responded with some points which I'll summarise as follows: 1) there was only one leak, 2) she remains of the view LV should pay the travel costs of looking after the pets, and 3) her settee and washing machine were damaged during the claim.

### **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.

While I take Miss H's comments on board regarding the number of leaks, based on the evidence available to me, I'm still satisfied there was more than one leak. I sympathise with Miss H over the alleged travel costs, but I'm still not persuaded there are fair and reasonable grounds to require LV to pay her what she asks, for the reasons I've previously set out.

With the alleged claim-related damage to the settee and the washing machine, Miss H will need to address that directly with LV in the first instance as it doesn't form part of this complaint. If Miss H is dissatisfied with the response she receives from LV she may be able to ask our Service to consider the matter as a new, separate complaint.

### **My final decision**

I uphold this complaint and require Liverpool Victoria Insurance Company Limited to pay Miss H £1,500 compensation, in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 10 September 2024.

James Langford  
**Ombudsman**