

## **The complaint**

Mr and Ms W complain about the way Liverpool Victoria Insurance Company Limited (LV) has handled a subsidence claim on their home insurance policy.

Because Mr W has been leading on this complaint, I've referred to him throughout my decision. And any reference to LV includes the actions of agents managing the claim on its behalf.

## **What happened**

The circumstances of this complaint are well known to both parties, so I've summarised events.

- Mr W has a home insurance policy which is underwritten by LV. In November 2021, he made a claim on the policy having noticed damage to his property.
- LV agreed the damage was caused by subsidence. In December 2021, LV instructed a tree surgeon to deal with the implicated vegetation and this was carried out in April 2022 following some back and forth as to whether the tree was the cause.
- In May 2022, LV contacted another tree surgeon to poison the remaining tree stump. But due to a delay on the tree surgeon's part, the stump wasn't treated until late June 2022.
- In early July 2022, LV informed Mr W the mitigation had been completed and that superstructure repairs could commence. But Mr W said the damage was worsening and he wasn't satisfied mitigation measures were complete. He also expressed his unhappiness with how the claim had been handled, saying things had taken too long.
- LV arranged for another engineer to attend, but the engineer said – having reviewed the claim file – that he agreed with Mr W that further mitigation was required. And so, LV instructed an engineer, an arborist, and arranged for monitoring to commence in September 2022.
- In November 2022, LV confirmed clay shrinkage of the sub-soil was the primary cause of the foundations moving, and that this was due to vegetation in Mr W's neighbour's garden.
- On receipt of this information, Mr W spoke to his neighbours who agreed to two of the implicated trees being removed but asked that the third was trimmed so as to not lose privacy. LV said it would get in touch with Mr W's neighbour to get things moving.
- Unhappy with the lack of progress, Mr W brought a complaint to this Service in January 2023. LV subsequently issued a final response letter in February 2023 in which it explained its agent had been in touch with Mr W's neighbour to progress matters. But it acknowledged the claim hadn't progressed as it should have and that

its agent hadn't provided clear updates to Mr W. So, it paid £500 compensation to recognise the difficulties this had caused Mr W.

- An Investigator considered things and was satisfied the compensation was fair in the circumstances of this complaint. In response Mr W highlighted that there had been further problems since the final response was issued. The Investigator explained that this complaint was only dealing with matters which occurred *before* the date of LV's final response in February 2023.
- Because Mr W remained unhappy the complaint has been passed to me for an Ombudsman's decision.

### **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 agree with the outcome our Investigator reached – and I'll explain why. But before I do, I want to clarify that whilst I am aware Mr W has said he's encountered further problems with how the claim has been handled – including the quality of the remedial works – the scope of this complaint is limited to events which occurred before LV issued its final response on 22 February 2023. So, whilst it's disappointing to hear Mr W has experienced further difficulties, before this service can become involved, LV will need to have had an opportunity to investigate the matter and provide a response.

The Insurance Conduct of Business Sourcebook (ICOB5) says insurers must handle claims promptly and fairly. What's prompt will depend on the nature of the claim, but where damage is extensive, things will understandably take longer. It's not uncommon for subsidence claims – especially where monitoring of the property, mitigation, and remedial works are required – to span a number of months. But, even with that in mind, insurers must progress claims promptly, and so I've considered what this means in the context of Mr W's claim.

Here, LV has accepted it didn't progress Mr W's claim in a timely manner and has paid £500 compensation to recognise this. So, what I need to determine is whether this amount of compensation fairly reflects the difficulties Mr W experienced for the period up until the date of LV's final response.

The first engineer identified a tree, together with some smaller items of vegetation on Mr W's property, as needing to be felled. Mr W has said that if LV had identified his neighbour's vegetation as a cause of the subsidence at this time – as it later did in November 2022 – the claim wouldn't have taken as long.

It's evident the claim hasn't progressed as it should have, and as the neighbour's trees were implicated overall, on its face, it's possible this could have been identified when Mr W's tree was. And so, I agree with Mr W that had this happened, things likely wouldn't have taken as long and a delay of approximately five to six months wouldn't have occurred.

From what I've seen, it seems the initial schedule of commencing repair works in April / May 2022 wasn't met because LV hadn't pro-actively chased the tree surgeons between February to April 2022, and again in mid-May to June 2022 which meant the initial mitigation work wasn't completed on time. Whilst I appreciate some of this delay was due to the tree surgeon having not taken action to arrange an appointment with Mr W and weather conditions preventing the works from being carried out, LV still could have chased matters earlier than it did, which may have brought things forward.

I also note that following confirmation from Mr W's neighbour in November 2022 that two of the implicated trees could be removed and another trimmed, it seems little happened. And LV has accepted things came to a halt at this time owing to a change in personnel dealing with the matter. This shouldn't have affected how Mr W's claim progressed, but I've seen evidence which shows LV was concerned about getting the claim back on track and that in late January 2023, LV followed up on whether Mr W's neighbour would be arranging a quote for the vegetation removal, saying it could do this if need be. A few weeks later LV issued its final response.

So, when I consider what's happened, I'm satisfied LV did cause some avoidable delays and that this caused Mr W additional stress at what was already a difficult time for him. And no doubt, the lack of updates compounded things for him. I'm glad LV recognised its service fell short and has paid compensation as a result. And based on what I've seen, I'm satisfied £500 compensation reasonably reflects the difficulties Mr W experienced for the period up until the date of LV's final response letter in February 2023. And that this amount is in line with awards this Service makes for distress and inconvenience.

If Mr W remains unhappy with how LV has handled his claim since the final response letter, he'll need to raise a complaint with LV about this so it can investigate matters and provide a final response on the matter. Following this, this Service may be able to look into things.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W and Mr W to accept or reject my decision before 6 February 2024.

Nicola Beakhust  
**Ombudsman**