

## **The complaint**

Mr B complains about how Liverpool Victoria Insurance Company Limited (LV) handled his claim for subsidence on his home insurance policy.

## **What happened**

In November 2019, Mr B claimed on his policy with LV as he'd noticed cracks in the wall of his house. The claim was ultimately accepted and agreed as a claim under the subsidence section of his policy. Due to delays and issues in the claim Mr B complained to LV. Over the next couple of years, the subsidence claim continued and Mr B's neighbours' properties, who had also had subsidence issues, had been repaired. Unfortunately, the repair works to Mr B's property hadn't commenced by April 2023 and so he complained to LV again.

LV reviewed the complaint and upheld it. It accepted there had been issues with the handling of the claim, in particular, delays, poor communication and lack of contact from LV's loss adjusters and issues with the contractors appointed to handle the claim and the provision of alternative accommodation. LV paid Mr B £2,000 compensation for its poor claim handling.

Mr B didn't think this was good enough and referred his complaint here. He said the claim had been ongoing for years and his neighbours' properties had already been repaired and they'd suffered from subsidence at the same time. He said he'd spent a considerable amount of time chasing the claim to ensure it was being progressed.

Our investigator reviewed the complaint and agreed the claim had taken longer than it should have. She also acknowledged that Mr B was still having issues with the claim but, as the other issues happened after the final response sent on 3 May 2023, she could only consider the issues up until that date. While our investigator agreed there had been poor claim handling, she thought £2,000 was fair compensation for the distress and inconvenience Mr B had suffered.

Mr B didn't agree, he said he'd spent over 250 hours chasing LV and didn't think £2,000 compensation was enough.

As Mr B didn't agree the complaint has come 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.

Under industry guidelines LV is required to deal with claims promptly and fairly. I've therefore, looked at whether it has done so here. LV accepts there has been delays on Mr B's claim but has also said it isn't responsible for some of the delays. I've considered the timeline of the claim and it's clear there have been considerable delays and failings by LV.

I say this because while subsidence claims can take some time, I can also see the issue Mr B has been claiming for have been ongoing since November 2019. While I agree not all delays are LV's fault, I do think LV should have done more to proactively move the claim forward rather than leaving it to drag on for years and for Mr B to chase.

While it's disappointing this has happened, I've looked to see if LV has done enough to put things right. I'm satisfied £2,000 is fair and reasonable compensation for the distress and inconvenience Mr B has suffered. I say this because Mr B has had the inconvenience of having to chase LV multiple times. This in turn has caused delays over a long period of time, which in turn has also caused Mr B to live in a property which has suffered with subsidence for longer than he should. As LV has already paid £2,000 to Mr B to compensate for these delays and poor claim handling, I'm not going to tell it to pay any more for the issues up until 3 May 2023, when LV issued its final response. If Mr B is unhappy with the claim handling following this date, then he would need to raise them separately.

I appreciate Mr B doesn't think this compensation is enough as he's had issues throughout the journey of the claim. He's said he's had to chase LV, spend over 250 hours on the phone and this impacts his work, he's also had to live in a damaged house for longer than he should, and this has gone on for over three years now. However, I am also aware not all delays are down to LV, for example some delays were due to covid. While I don't think LV has handled the claim as well as it should, I'm satisfied £2,000 is fair and reasonable compensation for the distress and inconvenience Mr B has suffered up to the 3 May 2023.

### **My final decision**

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 November 2023.

Alex Newman  
**Ombudsman**