

The complaint

Mr and Mrs B are unhappy a claim made under their home emergency cover was declined by Liverpool Victoria Insurance Company Limited (LV).

Where I've referred to LV throughout, this also includes any actions taken by agents acting on LV's behalf.

What happened

Mr and Mrs B have a home insurance policy underwritten by LV which covers their buildings and contents, this also has additional cover for home emergencies.

In May 2023 Mr and Mrs B contacted LV to make a home emergency claim for a blocked toilet, and LV appointed an engineer to attend.

The engineer concluded that the blockage was due to scale, they said this was a maintenance issue, not covered and the claim was declined. Ultimately Mr and Mrs B arranged for their own plumber to attend, and they located and cleared the blockage.

However, they said this wasn't due to scale as LV's engineer had said, and instead was a blockage of toilet paper. Mr and Mrs B are unhappy with LV's handling and decline of their claim. They say that if LV's engineer had investigated properly, they would have discovered the blockage wasn't due to scale and should have been covered under their policy.

Mr and Mrs B approached this service. They've asked for LV to cover the cost of their plumber, damage to their kitchen ceiling, and they've asked for compensation.

One of our investigators looked into things but she didn't uphold the complaint. She initially said she had only seen LV's contractors report which said scale was the cause and a maintenance issue and therefore not covered. So, she said LV hadn't acted unfairly by declining the claim.

Mr and Mrs B subsequently provided a report from their plumber. Our investigator didn't make any findings on this, and instead passed it to LV for comment. LV maintained the claim decision.

The case was subsequently passed to me to decide.

I considered the report from Mr and Mrs B's plumber and issued a provisional decision to give both parties an opportunity to comment on my provisional findings before I reached my final decision.

What I provisionally decided – and why

In my 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.

I'm issuing a provisional decision. As mentioned above, our investigator didn't make any findings on Mr and Mrs B's plumber's report or say whether LV was still acting fairly based on this. Instead, they simply passed this to LV for comment and they maintained the claim decision, and the case was then passed to me as an ombudsman to decide. I'm issuing a provisional decision to give both parties an opportunity to comment on my findings before I reach my final decision.

Mr and Mrs B's home emergency policy provides up to £1,000 in cover for home emergencies, such as blocked pipes. So, when their toilet was blocked, they reported this to LV.

An engineer attended and said scale was causing the blockage, and this was a maintenance issue and not covered under the policy. However, Mr and Mrs B say the agent didn't carry out a thorough inspection, and instead just carried out a cursory inspection with a camera.

The evidence to support LV's engineer's findings is very limited. There are no images of what they said was a scale blockage as the images taken were poor.

However, after the claim was declined by LV, Mr and Mrs B arranged for their own plumber to attend and clear the blockage. Their report has since been shared with LV for comment. Mr and Mrs B's plumber confirmed:

"I attended the above address of (Mr and Mrs B), after they reported a blockage in the upstairs toilet. Upon arrival, I removed the rodding access point and attempted to clear the blockage. After a very short period of time, it was apparent that to enable better access, the toilet needed removing.

Once I removed the toilet and a small section of the floor, I could see there was a plug, blanking off a branch on a tee fitting. Once removed the blockage was immediately visible, it consisted of a considerable amount of toilet paper, not scale which had been previously reported by a third party.

On this type of domestic drainage system, I have never seen or experienced scale within the pipework.

Following removal of the paper blockage and toilet reinstatement, there has been no further issue reported."

When this report was sent to LV by our investigator, LV maintained the claim decision. They said that the report is recent, doesn't say when they attended, and this could have been another blockage. LV didn't think this provided any proof this was the cause.

I must say I find LV's comments here surprising. There has been nothing provided which persuades me this is from another blockage and not the one subject to this claim and complaint. Mr and Mrs B obtained this report in order to support their position of what their engineer did to resolve the blockage retrospectively, when asked to, and after our investigator didn't uphold their complaint and said they'd need to obtain their own report. So, it isn't surprising it's dated more recently, two days after our investigator issued their findings saying they needed a report.

Having considered what the report says, I think this supports what Mr and Mrs B have said, that LV's engineer didn't carry out a sufficient investigation into the blockage. And what their plumber discovered isn't routine maintenance. Instead, it is something which should have been covered under their home emergency policy in the first place, if LV's engineer had carried out a thorough investigation at the time to establish the cause of the blockage.

So, unless anything changes as a result of the responses to my provisional decision, I'll be directing LV to reimburse Mr and Mrs B's plumber costs, subject to the policy limit and an invoice being provided to evidence the costs they incurred. 8% simple interest would also need to be added to this reimbursement from date of payment of the invoice to date of reimbursement.

Furthermore, unless anything changes, I'll also be directing LV to pay Mr and Mrs B £150 compensation for the distress and inconvenience caused by declining the claim and not providing emergency assistance when needed to unblock their toilet, leaving Mr and Mrs B with an unusable toilet until they arranged for their own plumber.

Mr and Mrs B have also reported there was damage caused to their kitchen ceiling and provided an image in support of that. Mr and Mrs B have said that if LV had correctly identified and unblocked the leak when they attended, the damage wouldn't have occurred. However, it's unclear how or when the damage happened based on the limited information provided.

Therefore, unless anything changes as a result of the responses to my provisional decision, I'll be directing LV to assess whether the damage wouldn't have been caused if they'd correctly identified and unblocked the toilet on that first visit, and if so, they'll need to cover the cost in putting that right.

However, if LV is able to evidence that the damage wasn't caused by their failure to identify and resolve the blockage, then they'd need to consider whether there is any cover under Mr and Mrs B's home insurance policy. The buildings section of cover does in principle provide cover for damage caused by an escape of water, but the policy also has terms and conditions, limits, and an excess applicable which it would need to be considered against.

As neither point has been considered yet, I'm unable to reach a decision on whether the damage is the fault of LV, or if not, whether the home insurance policy will cover it. So, that's why I'll be directing LV to assess this damage under both of these points. If after doing so Mr and Mrs B are unhappy with whatever decision is ultimately reached by LV, they'd be free to make a new separate complaint about that."

So, I was minded to uphold the complaint and to direct LV to:

- Reimburse Mr and Mrs B's plumbers costs, subject to the policy limits and evidence of the costs they incurred.
- Add 8% simple interest to the reimbursement, from date of payment of the invoice to date of settlement.
- Assess whether the additional damage was caused as a result of their failure to identify and unblock the toilet, and if so, put that right. Or if not as a result, assess whether it is covered under Mr and Mrs B's insurance policy subject to the remaining policy terms.
- Pay Mr and Mrs B £150 compensation.

The responses to my provisional decision

Mr and Mrs B responded to the provisional decision to say they agreed with the points made. They said the damage to the ceiling is directly below where the blocked pipe was. They say it's hard to prove when this happened, but they did contact LV at the time.

Additionally, Mr and Mrs B said they'd like at least double the compensation as LV didn't act in accordance with the policy they pay for, communication was poor, and they were left with an unusable toilet.

LV responded and said the report from the plumber doesn't say when they attended so they are unable to substantiate when it happened, and they said the ombudsman should ask for the invoice and confirmation when they attended.

LV also said the plumber carried out trace and access to diagnose the issue and the policy doesn't cover this. So, they say it isn't fair to expect the engineer to have reached the same conclusion.

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.

And I've thought carefully about the provisional decision I reached and the responses to it. Having done so, my final decision remains the same as my provisional decision.

LV has said that Mr and Mrs B's plumber carried out trace and access and this isn't covered so it isn't fair to say their engineer should have reached the same conclusion. However, the policy covers emergency assistance where there is a failure of the internal plumbing and drainage and doesn't specifically say under that section that finding a blockage is excluded. Instead, the policy terms say that trace and access comes under home maintenance, and finding the fault after a temporary repair has been completed, which isn't the case here. But in any event, I can direct LV to pay something outside of the policy terms if I decide it is fair and reasonable to in all the circumstances of the case

LV's contractor failed to correctly identify the blockage and put it down to scale. But as outlined, the evidence to support LV's engineer's findings is very limited. There are no clear images of what they said was a scale issue as the images taken were poor. So, I don't think they carried out a sufficient investigation into determining the cause of blockage in the first place. By contrast, Mr and Mrs B's plumber identified there was a blockage immediately, rather than a scale issue which would be home maintenance, and then removed the toilet and flooring in order for better access and to clear it.

My view remains that it would be fair and reasonable in all the circumstances of the case for LV to reimburse Mr and Mrs B plumbers costs, subject to the policy limits and an invoice being provided to demonstrate the costs they incurred. 8% simple interest will also need to be added to the reimbursement from date of payment of the invoice to date of settlement.

LV has also said Mr and Mrs B's plumber report doesn't say when they attended and confirmation of this and an invoice should be obtained. I explained in my provisional decision why the report was recently dated, and there was nothing provided which led me to conclude there was a separate blockage that it related to. The report was dated after our investigator asked Mr and Mrs B to obtain one. I don't have any concerns with the validity of the report or that this doesn't relate to the same blockage which is the subject of this complaint, and I'm satisfied it is persuasive in demonstrating LV reached the wrong conclusion when they visited. So, my final decision remains that I'll be directing LV to reimburse Mr and Mrs B's plumber costs as explained above.

In response to my provisional decision, Mr and Mrs B say the damage to their ceiling is below where the blocked pipe was. And they previously provided an image in support of that. But as outlined in my provisional decision, it's unclear how the damage would have occurred if the pipe was blocked. So, I'll be directing LV to assess whether this damage wouldn't have been caused if they'd correctly identified and unblocked the toilet on that first visit, and if so, they'll need to cover the cost of putting that right.

But I also said that if LV is able to evidence that the damage wasn't caused by their failure to identify and resolve the blockage, then they'd need to consider whether there is any cover under the building and contents insurance cover Mr and Mrs B have.

As outlined, as neither point has been considered yet, I'm unable to reach a decision on whether the damage is or isn't the fault of LV, and if not, whether that damage is covered under their home insurance. So, at this stage, I'll be directing LV to assess it under both points. If after that Mr and Mrs B are unhappy with whatever decision is ultimately reached by LV, they'd be free to raise a new separate complaint about that.

I recognise Mr and Mrs B believe the compensation should be higher, but having considered everything provided, I'm satisfied £150 compensation is fair and reasonable in the circumstances, so I won't be increasing that amount.

My final decision

It's my final decision that I uphold this complaint and direct Liverpool Victoria Insurance Company Limited:

- Reimburse Mr and Mrs B's plumbers costs, subject to the policy limits and evidence of the costs they incurred.
- Add 8% simple interest* to the reimbursement, from date of payment of the invoice to date of settlement.
- Assess whether the additional damage was caused as a result of their failure to identify and unblock the toilet, and if so, put that right. Or if not as a result, assess whether it is covered under Mr and Mrs B's insurance policy subject to the remaining policy terms.
- Pay Mr and Mrs B £150 compensation.

*If Liverpool Victoria Insurance Company Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs B how much it's taken off. It should also give Mr and Mrs B a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 10 January 2024.

Callum Milne
Ombudsman