

The complaint

Mr T complains about Liverpool Victoria Insurance Company Limited, trading as LV's handling of his home insurance claim.

LV is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As LV has accepted it is accountable for the actions of the agents, in my decision, any reference to LV includes the actions of the agents.

What happened

In November 2021, Mr T made a claim under his home insurance policy with LV after his home and contents were damaged by a storm. The storm caused a large tree to fall over, which resulted in significant damage to his property. LV accepted the claim and arranged for some emergency repairs and drying and strip out works to be carried out. Mr T and his wife were placed in alternative accommodation.

LV had some difficulty finding contractors to carry out repairs to the property for a reasonable cost. Mr T found a local contractor to replace the roof with costs agreed by LV.

In April 2022, Mr T offered to take on the role of securing trades to carry out various other repairs, for a reasonable fee, in order to progress the claim more quickly. LV agreed for Mr T to manage the repairs and sent him the schedule of work.

In November 2022, Mr T raised a complaint with LV about its handling of his claim. He felt it was responsible for delaying the progression of repairs.

LV said that delays at the beginning of the claim were due to a difficulty in securing contractors because of significant and widespread damage caused by the storm, followed by a succession of other storms.

It said that when Mr T expressed a willingness to procure trades himself in April 2022 for an appropriate fee, it had been prepared to meet this. The current position was that it had offered to pay Mr T 10% of the total building work value, in line with what it pays its qualified surveyors to project manage.

It said that following Mr T's agreement of the schedule of work, he'd confirmed he'd pass copies to each of the associated tradespersons for pricing. The quotes were to be submitted to LV's surveyor as obtained, for validation and release of appropriate funds in a timely manner. LV said it had also paid a lump sum ahead of quotes being received to facilitate Mr T making arrangements as easily as possible.

LV said Mr T had delayed submitting documentation required to validate costs for repairs. It said some of the costs provided weren't based on like for like. It wasn't able to accept a quote from a decorator as it was vague in content and labour costs were overstated.

LV said there was a delay in agreeing cover for replacing windows because Mr T felt every window had been damaged by the impact of a tree that fell on the front of his property. LV

had arranged for an expert to inspect all of the windows to obtain an independent view. Following this, LV said it had offered an appropriate cash settlement, which was along the lines of what it had offered to cover in January 2022.

LV said that although it wasn't responsible for damage to sanitaryware and carpets that appeared to have occurred after the storm incident, it had agreed to meet the cost of replacements.

LV said it had recently put forward a detailed offer to Mr T that covered all buildings items, a 10% contingency allowance and Mr T's management fee. In making this offer it recognised that certain elements may need to be revised subject to further evidence and costs submitted by Mr T that inform the need for change.

LV said it understood Mr T planned to be able to return to his home in June 2023 and it felt this timeframe was more than sufficient to address the outstanding work items. It had agreed alternative accommodation and storage costs up until the end of June 2023.

Mr T remained unhappy. He didn't feel that LV had fully addressed his concerns and raised a number of questions and points.

Our investigator looked into Mr T's concerns but didn't think his complaint should be upheld. He thought LV had acted fairly and in line with the policy's terms.

Mr T disagreed with our investigator's outcome. He said there was still a lot more work that needed to be carried out on the house and he didn't think it would be ready to move into by the end of June. He said LV should have mobilised appropriate tradespeople to do the jobs at the outset. He didn't think LV appreciated that paints and other materials used in his house weren't standard and longer lead times were required. He felt the delay in repairs being completed were as a direct result of how the process had been handled by LV. He said that any suggestion by LV that he'd delayed the process or tried to mislead or take advantage of it was untrue and he found it insulting.

As Mr T disagrees with our investigator's outcome, his complaint has been passed 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.

Having done so, I've decided not to uphold Mr T's complaint. I'll explain why.

I've considered everything Mr T has told our service, but I'll be keeping my findings to what I believe to be the crux of his complaint. I wish to reassure Mr T I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

To be clear, I've only considered events complained of that occurred prior to LV's response to Mr T's complaint dated 3 February 2023. If Mr T has concerns about LV's actions after this, our service may be able to consider these as a separate complaint.

The relevant industry rules say an insurer should handle claims promptly and fairly.

Roof works

From what I can see Mr T made his claim at the end of November 2021. LV says it arranged some emergency, make-safe works to his property through December 2021 and into February 2022. However, it had some difficulty securing contractors to move reinstatement works forward. Strip out works to aid the drying process were completed in March 2022.

LV has noted a conversation with Mr T in late March 2022 where it told him the quote for repairs to his roof its contractors had provided was much higher than expected. It looks like part of the issue was to do with costs for travel and hotel stays for the roofers. LV has also commented that its contractors quote included installation and hire of a bespoke scaffold and tin hat covering. Mr T managed to find a roofer who could complete the work for a much lower price, and this was agreed by LV. I think this was a reasonable way forward.

Part of Mr T's complaint was that LV gave inaccurate information to third parties about when structural works were completed. I understand that LV said major structural work had been completed and the roof was replaced in April 2022. Mr T says repairs to the roof were completed in October 2022. According to LV's records, the roofing works were completed (apart from stonework) in May 2022 and Mr T has confirmed this is correct. I appreciate that information given by LV may have been slightly inaccurate in terms of the timing of the roof repairs. I also note that Mr T feels the statement was also inaccurate because work to outbuildings, the garage and the boundary wall hadn't yet been carried out. However, I'm not persuaded LV deliberately attempted to mislead anyone.

Windows

LV says that its loss adjuster and surveyor concluded that only windows that had come into direct contact with the fallen tree's canopy were damaged by the storm incident. It says it agree to pay 50% towards undamaged windows to the front elevation because of Mr T's concern about replacement windows not matching the original undamaged ones.

However, Mr T believed that all of the windows had been damaged by the impact of the falling tree. LV noted that Mr T had provided two quotes that gave no opinion and were based on replacement styles that were not like for like. So, LV arranged for a forensic expert to provide an opinion.

In the policy's terms and conditions, under "*matching sets and suites*" for "*buildings*" it says LV will make a cash contribution of up to 50% for undamaged items in the same set or suite if it can't repair or replace damaged items in a bathroom or kitchen. It goes on to say:

"We won't pay the cost of replacing or altering any other undamaged items solely because they form part of a set or suite, this includes groups or collections of items of the same design, nature or colour."

LV says it shared the forensic expert's report with Mr T in December 2022, which confirmed which windows were damaged. LV's cash settlement offer included 50% towards undamaged windows at the front of the policy. So, it appears to have offered more than it needed to under the terms of the policy.

Validation of costs

Under "*cash payments*" the policy's terms and conditions say:

“If we can offer a repair or replacement through one of our suppliers and you choose not to have the item repaired or replaced or you wish to use your own supplier, we will not pay more than the amount we would have paid our supplier.

If we're unable to offer repair or an equivalent replacement is not available, we'll pay the nearest cash equivalent or current market value of the item at the time of the loss or damage.”

Mr T has expressed frustration that LV wouldn't agree to cover the costs he submitted for certain repairs, such as decorating. LV says the estimate he submitted for his preferred decorator was vague in content and labour costs were overstated. When it tried to discuss the quote with the decorator, he wouldn't provide further detail and the rate was inconsistent with what he'd applied to a previous job with Mr T.

I appreciate Mr T feels that his property required a decorator with special expertise. However, I don't think it was unreasonable for LV to have required a further quote when it wasn't able to substantiate the information that was provided, and the cost appeared to be above market rates.

In January 2023, LV made Mr T a cash settlement offer to cover the remaining building repairs, with the exception of wallpaper costs. This was calculated using estimates of repairs for items Mr T hadn't yet provided validation for, along with a 10% contingency allowance. I think this was a pragmatic way to move things forward.

I appreciate Mr T had concerns that the cash settlement wouldn't be enough to cover his costs. However, in its response to his complaint, LV said it recognised that certain elements might need to be revised subject to further evidence and costings submitted by Mr T. And I think this was reasonable.

Damage to sanitaryware and carpets

I can see there was also quite a bit of discussion regarding Mr T's claim for damage that occurred after the storm event.

Mr T said that LV's contractors failed to take reasonable care to prevent dust contamination to sanitaryware from the en suites that was set aside whilst strip out works were being carried out. LV says when its surveyor visited in late March 2022 after the strip out works were complete, he said the dust contamination was very minor. It says any other damage would have been as a result of works carried out by contractors chosen by Mr T.

According to LV's records, it arranged for the sanitaryware to be cleaned. LV says the cleaning was successful, but Mr T disagreed. So, LV gave Mr T the benefit of the doubt and agreed to meet replacement costs for both en suites.

LV also agreed to cover the cost of replacing carpets that weren't damaged by the storm event but weren't adequately protected during repair works. It says strictly speaking some of the carpet damage wasn't covered because it had allowed for the cost of safeguarding them in the schedule of work. But it had agreed to meet the cost of replacement anyway. It accepted Mr T's contention that carpets in two other rooms were damaged by LV's contractors even though this was denied by them.

It looks like there was some concerns about the costings Mr T supplied for replacement carpets not being 'like for like' with the damaged carpets. I can see that LV arranged for one of its suppliers to provide a validation quote and offered Mr T a cash settlement based on

this. It said that alternatively it could arrange for its supplier to undertake the work. I think this was reasonable.

I appreciate there may have been some delay in these matters being resolved because of disputes about whether or not LV was responsible for replacing the sanitaryware and carpets. However, I think LV acted fairly and reasonably by agreeing to cover these costs.

Attempted theft of radiator

Mr T also raised concerns about an increase in his insurance premium, which LV says was because of a second claim he'd made for the attempted theft of a radiator.

LV didn't address this issue in its final response to Mr T's complaint. However, I've listened to a call from an LV customer relations consultant who contacted Mr T after this, and I've read the follow up email.

I'm satisfied that the attempted theft of the radiators that were left outside Mr T's property in August 2022, doesn't fall under the storm event claim. Mr T was given the option of either withdrawing the second claim or paying the additional premium. I think this was reasonable.

Alternative accommodation

The cash settlement offer LV made Mr T in January 2023 included £8,000 for the remaining costs of alternative accommodation. This was enough to cover his costs until the end of June 2023. In its response to Mr T's complaint, LV said it thought this timeframe was more than sufficient.

When Mr T spoke to our investigator in April and May 2023, he said he didn't think his property would be habitable by the end of June. We wouldn't expect an insurer to continue to pay for alternative accommodation costs once a property is deemed suitable to live in. This wouldn't necessarily mean all repairs needed to be completed. I haven't seen sufficient evidence to conclude that LV's estimate of how long it should take for the property to be made habitable was unrealistic.

Mr T also raised concerns about LV overpaying for alternative accommodation arranged through one of its agents. I understand Mr T was able to negotiate a reduced rate and LV's cash settlement was based on this.

I appreciate that Mr T saved LV some money by negotiating a reduced rate. However, I can't see how he's lost out by it initially paying a higher rate.

In conclusion

LV has acknowledged some difficulty in finding contractors to carry out repairs early on in the claim. LV has noted there being an overwhelming amount of damage in a large area surrounding Mr T's property because of the storm. So, I think delays at the beginning of the claim were likely to have been unavoidable.

Mr T holds LV entirely responsible for the length of time it has taken to progress his claim. However, from what I've seen, I'm not persuaded that's the case. There were several disputes about what was covered by the policy and LV had difficulty validating costs from information supplied by Mr T.

I acknowledge that Mr T saved LV some money with regards to roof repairs and alternative accommodation costs. However, I think it was fair for LV to want to ensure the cash

settlement for other items reflected reasonable costs for repairs that Mr T was entitled to under the policy.

I appreciate project managing the repairs has taken up a lot of Mr T's time, but this is something he offered to do. LV's cash settlement included over £11,000 for Mr T's management fee.

I understand this has been a difficult and frustrating experience for Mr T and his family. Given the nature of the claim and complexities involved, it was inevitable that repairs would take quite some time to be completed. I acknowledge that LV was responsible for some of the delay and things didn't always go as smoothly as they might.

However, I think LV's overall handling of the claim has been reasonable. It has covered the costs of certain items that strictly weren't covered by the terms of the policy. It made a number of payments to Mr T throughout the claim for contractors and accommodation. And it made a large payment in February 2023 in an effort to facilitate the progress of building repairs.

I do empathise with Mr T who has had to deal with some very difficult circumstances over the last couple of years. However, I'm not persuaded LV is entirely responsible for delays in the progress of his claim and I think it's done enough to resolve matters it is responsible for. So, whilst I appreciate my answer will be disappointing for Mr T, I haven't found reason to uphold his complaint.

My final decision

For the reasons I've explained, I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 13 November 2023.

Anne Muscroft
Ombudsman