

The complaint

Mrs L complains about Liverpool Victoria Insurance Company Limited (LV) who declined her claim under her home insurance policy.

What happened

Mrs L explained that in the early hours of the morning, a painting that had hung for several years, fell from its fixings and became damaged. She contacted LV to make a claim. She explained that the advisor took a few hours (and consulted with a senior advisor) as to whether or not the claim would be covered.

Mrs L said that the advisor told her that the claim would be covered and instructed an art restorer to collect the painting from her. Over the next few weeks, LV investigated whether the claim would be covered.

LV reviewed the policy and found that Mrs L had no cover as there was no additional accidental damage cover (AAD) included in her policy. There was only standard accidental cover (SAD) and this was insufficient to cover the damaged painting. So, LV declined the claim.

Mrs L was unhappy by this outcome, especially because she had originally been advised that the damage to the painting was covered. Also, as there were delays during the claims process, she complained to LV.

In its final response, LV accepted that there had been errors made during the claim's process, namely the incorrect information Mrs L was given regarding cover for the painting. It also accepted that there was a loss of expectation. For this, it offered Mrs L compensation for the trouble and upset caused of £100.

As to the declined claim, LV relied on the policy terms and conditions and said that the claim was fairly declined. As Mrs L had been given her referral rights and she remained unhappy with the resolution, she referred a complaint to our service.

One of our investigators considered the complaint and didn't think it should be upheld. His view was that LV had fairly declined the claim under the policy terms, as there was no cover under the SAD for damage to the painting, as Mrs L hadn't selected the AAD. He said that the £100 compensation offered for the loss of expectation was fair. So, overall, there was nothing further he could reasonably ask LV to do.

LV accepted the view, Mrs L did not. She reiterated what she had been, mistakenly told by LV initially. And how unfair it was for LV to later decline the claim. She felt that the claim had been declined due to the cost of restoring the painting. And said that she had held a policy over several years and had never made a claim. She mentioned her specific vulnerabilities and raised additional complaint points regarding the mis-selling of the policy and the unprofessional behaviour of one of LV's agents. So, she asked for a decision from an ombudsman.

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 won't uphold this complaint, for much the same reasons as our investigator. I understand that this might be a disappointment to Mrs L, but I hope my findings go some way in explaining why I've reached this decision.

I've considered both parties comments, terms and conditions of the policy and the evidence both parties have provided. I think the main issue of this complaint is whether LV reached the right decision to decline the claim under the policy terms and conditions.

At the outset, I note that Mrs L has raised two additional issues of complaint. Those related to the unprofessional behaviour of one of the LV agents. And the mis-selling of the policy.

Mrs L describes that one of the agents had been rude towards her during one of the calls. She further said that when she took out the policy, no one had explained to her the limitations of the cover that she selected. Nor did anyone make it clear the difference between the AAD and SAD levels of cover.

However, I can't see that Mrs L previously raised these issues of complaint with LV. So, LV hasn't had an opportunity to investigate these new additional issues. Mrs L will need to raise those complaints with LV. Allow it up to eight weeks to respond and if after the issue of its final response, Mrs L still is dissatisfied, she will be able to refer a new complaint with our service.

In other words, LV will need to be given the opportunity to investigate and to attempt to put matters right. Consequently, I'm unable to consider these new issues presently.

I've next considered whether LV reached the correct decision to decline the claim, under the policy terms and conditions. For this, I have reviewed the policy and can see that there are two types of accidental damage cover available for policy holders. There is a SAD, as well as an AAD. The SAD comes as standard, but the AAD has to be specifically selected.

I've reviewed the policy documents and can't see that Mrs L selected the AAD, which meant that only the SAD level cover was on Mrs L's policy. This level of cover only provided insurance on a limited basis, namely cover for fixed glass, solar panels, hobs, mirrors or home entertainment equipment:

'Accidental damage to fixed glass including windows, bathroom suites, solar panels and hobs that are part of the buildings. Any mirrors, glass or ceramic tops that form part of the furniture in your home. To home entertainment equipment while in your home or garden.'

A painting such as the one damaged in this claim, is not listed as an item that cover extends to. Mrs L didn't have AAD included on her policy. And although it is right that only a few examples of what could be covered, are mentioned in the policy, I don't think that the list was confined to just those examples. I say this, as the policy states: *'Extended protection for accidents such as.'* I'm satisfied that this indicates that the list isn't exclusive. So had Mrs L selected this additional cover, I think it's more likely than not, that LV would've covered her claim.

Whilst I can fully appreciate how disappointed Mrs L is likely to be with the decision, having reviewed the policy terms and conditions, I think LV were reasonable to decline cover for the damaged painting, as it wasn't covered under the policy terms.

I also think that LV recognised the handling errors that Mrs L experienced. And for the loss of expectation, I'm satisfied that the £100 compensation offered, is in line with our services strict approach on compensation awards.

I acknowledge Mrs L's strength of feeling about this complaint and the reason why she referred it to our service. But, in the overall circumstances of this complaint, I haven't seen enough evidence to show that LV acted unfairly. I'm therefore not going to tell it to do anything further here.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 3 January 2024.

Ayisha Savage
Ombudsman