

The complaint

Mr B complains about Liverpool Victoria Insurance Company Limited (LV) who declined his claim under his home insurance policy.

What happened

Mr B said that he had a leak at his home and contacted LV to make a claim. He said that LV did nothing to progress the claim. And when he received the renewal quote (some months later) he was surprised that the premium had substantially increased. He contacted LV to enquire why and was told that it was likely that the premium had increased due to a claim that had been made. LV offered to either re-open the claim or review the premium.

Mr B asked LV to re-open the claim. LV sent a surveyor to assess the damage. The surveyor confirmed that there was no evidence of a leak at Mr B's home. As Mr B had instructed builders to carry out repairs at his home, LV explained that a cause of damage report would be required from those builders.

A report was received from Mr B's builder, and this was considered by LV. LV then asked Mr B for a plumber's report, as the builder's report had differed from its surveyor. Mr B told LV that he had settled the plumber's invoice in cash. And as such had no contact details for him.

Ultimately, LV declined Mr B's claim due to the lack of an insurable peril. In its final response, LV maintained its position, in that it confirmed that there was no evidence of an escape of water at the property, so the claim would be declined. It did however offer Mr B £200 compensation for the trouble and upset caused, due to delays that had happened during the claims process.

Mr B was given his referral rights and as he remained unhappy with the outcome, referred a complaint to our service. One of our investigators considered the complaint and didn't think it should be upheld. She said that from the evidence she could see that LV had initially thought that it would accept some of the claim. But, as it could find no evidence of an insurable event having taken place, it declined the claim. She felt that LV had carried out a thorough investigation and had declined the claim in line with Mr B's policy.

LV accepted the view, Mr B did not. He said that our investigator had got the timescales incorrect. He said that he wanted LV to meet with him so that they could discuss the damage at the property. So, he 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 Mr B, but I hope my findings go some way in explaining why I've reached this decision.

I have considered all the evidence and comments made by both parties. I understand that Mr B would like a meeting with LV to discuss the damage at his home, but this isn't something that I can recommend that LV does. What our role is, is to look at the actions taken throughout the claims process by LV and to see if there were any errors made by LV. If there were errors then I'm able to recommend an outcome that is reasonable. If I find there is no error made, then I must explain the reasons why I came to this decision, based on the evidence presented to me.

With this in mind, I think the main issue of this complaint is whether LV were fair and reasonable to decline Mr B's claim.

Mr B made a claim in June 2021. Although he said that LV did not progress the claim, the evidence that I have read, indicates otherwise.

I can see that from 19 June 2021, until the 20 August 2021, LV continually chased Mr B for information regarding the claim, so that it could progress it. As the information wasn't forthcoming, LV closed the claim on 20 August 2021.

It wasn't until February 2022, that LV reopened the claim, after Mr B indicated that he wanted the claim to be pursued. I can see that there was a slight delay between getting a surveyor to inspect the damage and the actual inspection. But a surveyor from LV did inspect the damage and wrote a report (in March 2022).

I have read the report and the conclusion is that there was no insured peril, that is there was no damage that he could attribute to being caused by an escape of water. Because of this, LV asked Mr B for further evidence from his builder (Mr B had carried out some repairs since the leak had happened).

There was around a further two months delay whilst Mr B obtained a report from his builders, that included a breakdown of costs.

It seems that there was some delay by both parties during the claims process. In that, there was delay from Mr B due to him not providing the evidence as and when required. And from LV in not assessing the evidence it received from Mr B, sooner. Ultimately, once LV had received all the information from Mr B, it reviewed it and concluded, that no insured peril had occurred.

Having reviewed the reports from both parties, I'm persuaded that there was no insured peril that had occurred. The conclusion of the report is that the damage had been on a gradual basis and as wear and tear is excluded from cover, and the damage at the property couldn't be attributed to a one-off event (such as an escape of water), I think that LV was fair to decline the claim.

I say this as I have found that the surveyor's report is detailed and clear and I think that LV carried out an in-depth investigation. I agree that there was delay during the claims process. But as LV had offered compensation of £200, for the trouble and upset this caused, I think that offer is reasonable and in line with our guidelines on compensation.

I acknowledge that Mr B would like to meet with LV to further discuss the damage at his property. But, as I think that it reasonably declined his claim, this isn't something that I can recommend it do.

I understand Mr B's strength of feeling about this complaint and the reason why he referred it to our service. But, in the overall circumstances of this complaint, I haven't seen enough evidence to show that LV was unreasonable to decline his claim, on the basis of there being no evidence of an insured peril at his home. Accordingly, I am unable to reasonably ask LV to accept his claim.

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 Mr B to accept or reject my decision before 26 September 2023.

Ayisha Savage
Ombudsman