

The complaint

Mr P is unhappy with the way that Lloyds Bank General Insurance Limited dealt with his home insurance claim for water damage to his property.

What happened

In November 2019 Mr P reported a claim to Lloyds following his discovery of a leak in his kitchen. Lloyds arranged a site visit in early December, and the water had to be turned off. Contractors were appointed to trace and access the leak, with some kitchen units removed on 16 December, and the leak traced. After this Mr P was advised to get the leak repaired under his home emergency cover, and this was arranged a few days later. So Mr P was without hot water during this period.

During the strip out of the units it was noticed that there was rat damage to the electrics. Mr P was advised that rodent damage wasn't covered under the policy. Mr P told Lloyds that he'd been advised by the contractors that his kitchen needed removal and replacement. Lloyds said this wasn't necessary and wasn't what the contractors had reported to it. Lloyds agreed to draw up a schedule of work and it was arranged for the pest control contractors to attend. Thereafter further kitchen units were removed and placed into storage, and the area was cleaned and sanitised. It was agreed, following a site meeting, that a kitchen pod would be installed so Mr P would have access to cooking facilities. This was duly installed.

On 17 February 2020 the drying contractors' electrician advised that because of the condition of the electrics in the kitchen, a temporary board would need to be installed. Mr P argued that this wasn't necessary. After review of the case by a new personal claims consultant (PCC) it was agreed the driers could be run from other circuits in the house.

On 24 March 2020 because of the national lockdown, works had to be suspended. Mr P subsequently complained to Lloyds that the work wasn't restarting.

Lloyds issued three final response letters as follows:

28 January 2020 – Lloyds apologised particularly for the delays in dealing with the trace and access when Mr P was left without hot water for a few weeks. It paid him £250.

29 February 2020 – Mr P had complained about having to chase matters up with the PCC. Lloyds paid Mr P £75 in recognition of the problems he had had, though generally said the PCC had been dealing adequately with the claim

27 May 2020 Lloyds did not uphold complaints of further delays.

On referral to this service our investigator said that Lloyds had acted reasonably and had paid reasonable compensation. He advised that we could only look at matters up until the date of the May 2020 final response letter. I understand that Mr P has made further complaints in respect of matters after that date, which we are currently investigating under a separate complaint.

The matter has been passed to me for further consideration.

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.

scope of this decision

I understand that Mr P would like all his issues dealt with, including those that arose after the May 2020 final response letter. Whilst I understand his point, those issues arose after Mr P made his complaint to this office and are being dealt with separately. I think, given that there was a break in March 2020 because of the lockdown, it's reasonable to deal with the complaints up until May 2020 separately.

alternative accommodation (AA)

Mr P believes he should have been offered AA by Lloyds as his home wasn't habitable. The terms of the cover for AA are that it's available if the home is made uninhabitable by any insured cause. "Uninhabitable" generally means that the home is without cooking and/or washing facilities. Here Mr P was without hot water for several weeks whilst the trace and access contractors were dealing with finding the leak. I appreciate that this was not ideal but I'm not persuaded this alone made the home uninhabitable. However, I do think Mr P should be awarded compensation for this inconvenience. He was given £250 compensation for this which I think was reasonable.

At the point of the kitchen being removed, Mr P wasn't offered AA but instead was given the use of a temporary kitchen pod. This can be a direct alternative to AA. Mr P was unhappy with this as he said it was too inconvenient for him, particularly as he says he couldn't really make use of the pod as when cooking meals, making drinks etc he'd then have to take them out of the back door and through the front door to access somewhere to consume them. It's not immediately clear to me from the photos supplied why Mr P couldn't get through the house but I'll accept what he says. However he accepted the pod and I can't see that he raised this point of concern until some time after the pod was installed, by which time, due to lockdown, there wouldn't have been much Lloyds could have done about it. I see from its notes that it extended the hire of the pod several times.

Whilst I understand the inconvenience to Mr P, I think that, with the pod, the house was habitable as it had the basic facilities. Regrettably when an insurance claim is made particularly one that affects the whole ground floor, there is going to be a lot of inconvenience. But I can't hold Lloyds responsible for that. And in this case that was aggravated by the lockdown, which again wasn't Lloyds' responsibility. I think it acted appropriately here.

kitchen

Mr P believes that Lloyds should have taken out his kitchen and installed a new one. He's been advised that it's not possible to take out and reinstall a kitchen without damaging it. All I can say is that this problem arises frequently in escape of water claims. An insurer won't usually install a new kitchen unless it's directly damaged by the water, and we do see situation where kitchens are removed and re-fitted without damage being caused. So we often say it's reasonable for an insurer to plan this type of reinstatement. Here Lloyds assessed that the kitchen itself wasn't damaged by the water and that it was possible to remove it and reinstall. As this is generally the case in claims like this, I can't say that Lloyds did anything wrong here. If there were any issues that occurred on removal or reinstallation

(e.g. units or appliances damaged) then Lloyds would deal with them at the time under the terms of the policy. Again I think that's reasonable.

electrics/temporary board/relationship with PCC

The PCC insisted that a temporary board would have to be installed to run the drying equipment. This was because the electrics in the kitchen had been damaged by rats. Mr P said this wasn't necessary, He was also unhappy with the way the PCC had dealt with his claim, particularly that she wouldn't come out to visit the property, also that he had to chase her for replies to his emails.

Lloyds agreed to appoint a new PCC, although said that the first PCC had dealt adequately with the case. It paid him £75 for the delays in responding to his emails. In respect of the electrics the newly appointed PCC said that the electrics could be run off other sockets in the house which were on a different circuit.

I appreciate that Mr P wasn't happy with the PCC, but it was up to her if she wanted to visit the property – I understand that the second PCC had visited the property with the surveyor so I think Lloyds acted reasonably here. As for the electrics I understand Mr P's objections, but the PCC was relying on information given to her by an electrician, so I can't fault her in that respect. The second PCC clearly took on board P's objections and advised a different solution. This doesn't mean either of them were wrong.

rodent damage

Lloyds said the electrical cabling in the kitchen was damaged by rats. And the pest control contractors appeared to agree with this. Under the terms of the policy, damage caused by "vermin" isn't covered. And the policy clearly sets out that vermin includes rodents. I understand that the rodent damage wasn't connected to the escape of water claim. So, although I realise this was upsetting to Mr P, I think it was reasonable for Lloyds not to cover this part of the damage.

overall

Up until 27 May 2020 I think that Lloyds dealt with Mr P's claim reasonably and, in those areas where it was at fault, it has, in my view, responded reasonably including paying reasonable compensation.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 15 September 2021.

Ray Lawley
Ombudsman