

The complaint

Mrs and Mr C are unhappy with the repairs Lloyds Bank General Insurance Limited (Lloyds) carried out after they successfully claimed for water damage under their buildings insurance. The policy is in joint names but, for ease, I'll refer only to Mrs C throughout my decision.

What happened

Lloyds accepted Mrs C's claim for damage to her kitchen floor after water leaked from an appliance. It appointed a contractor, which I'll call H, to replace the underfloor heating and the flooring.

While H was replacing the underfloor heating, Mrs C noticed gaps. When she asked about it, the heating was adjusted to fill the gaps near the sink, but created others elsewhere.

When H left, Mrs C looked at an offcut of the wood flooring and noticed that it wasn't solid wood, which is what she'd had before. She also found that there were cold spots around the gaps in her underfloor heating.

Mrs C contacted Lloyds, but it said she'd chosen the flooring and if she had any issues with the underfloor heating she should contact H.

Mrs C complained to Lloyds about the difference in flooring. She said it had only given her the choice of floorings available from one retailer and she'd chosen what she thought was the same as her original flooring. Mrs C said she wasn't familiar with using online services and felt Lloyds hadn't assisted her with her decision. Further, Mrs C said Lloyds hadn't turned up for appointments after she'd gone to the effort of clearing her kitchen out, which was an exhausting experience for her.

Lloyds agreed it hadn't handled the appointments well and caused some distress and inconvenience. By way of apology it offered Mrs C £75, and a further £250 some months later. However, Lloyds said that she'd chosen the flooring it fitted and if she remained unhappy with the underfloor heating, she should contact H.

Mrs C brought the complaint to our service and our investigator didn't think Lloyds had treated Mrs C fairly. He said it was Lloyds' responsibility to provide an effective and lasting repair and it shouldn't have told Mrs C to contact H about her concerns. Our investigator also thought Lloyds hadn't looked into Mrs C's concerns properly, so he recommended that it inspect the underfloor heating to see whether there were any cold spots. If that was the case, Lloyds should fix, or if necessary, replace the underfloor heating.

Our Investigator also didn't think it was fair that Lloyds asked Mrs C to choose her flooring online when she'd made it clear that she didn't understand the workings of the internet. On checking, he noted that the technical information for the flooring was also quite difficult to find, and in fact the supplier didn't stock the type of flooring Mrs C had in place before the water damage. Therefore, our investigator said Lloyds should replace the flooring again with the same type Mrs C had previously.

Lloyds didn't agree. Amongst other things, it said Mrs C had chosen the flooring from a different website to the one it recommended, so it couldn't be held responsible for any difference in quality or wood type. Lloyds also said the underfloor heating was only adjusted at Mrs C's request. To resolve the matter, Lloyds proposed sending someone to inspect the replacement flooring and underfloor heating to determine next steps.

I issued a provisional decision in February 2022 explaining that I was intending to uphold Mrs C's complaint. Here's what I said:

provisional findings

Underfloor heating

Mrs C said her underfloor heating doesn't fit properly – there's a gap and it's left her with cold spots. Lloyds said it fitted the heat mats to the manufacturer specification and made some adjustments at Mrs C's request. It also said there were gaps in the heat mats Mrs C had in place originally.

I've looked at the photos of the damaged underfloor heating and I agree that there are gaps between the heat mats. But I don't think Lloyds is saying it intentionally left gaps to replicate what was there before. It seems Lloyds is making the point that gaps between the heat mats don't necessarily mean there'll be cold spots, and that's what its contractor told Mrs C on the day of fitting.

To put Mrs C back in the position she was in before the escape of water, Lloyds should've replaced her underfloor heating with an effective and lasting alternative. That's what Lloyds says it has done. But when it went back out to check on the cold spots Mrs C reported, it didn't conclude one way or the other whether there was a problem. I don't find that to be a satisfactory outcome to its visit and I'll take this into consideration when deciding whether compensation is warranted.

Lloyds has now suggested that it goes out to check whether there are cold spots and I think that's a fair proposal. Taking that a step further, though, if it does identify cold spots beyond what can be demonstrated as reasonable, Lloyds should arrange for the heating to be repaired or replaced. If cold spots aren't identified, there's no reason for Lloyds to do anything further about the underfloor heating.

Type of flooring

Mrs C said she originally had a solid bamboo wood floor and she's unhappy that Lloyds replaced it with engineered wood. Lloyds said it replaced the flooring with the one Mrs C chose.

Firstly, there's been some concern about whether the original floor was bamboo wood. I won't be addressing this point because the type of wood is irrelevant. What matters, is whether the replacement floor is of a similar quality and the one which Mrs C chose. However, the evidence regarding this issue isn't clear. Lloyds said Mrs C confirmed her choice of flooring to H on 19 November and again on 5 January. I've looked at the claim notes, but I can't see any evidence of that. What I have seen, though, is a note on 23 December which says, "Need to confirm the flooring choice", a further note on 20 January which says, "the flooring is yet to be confirmed when able to discuss with [Mrs C]", and a note on 22 January which says, "I will call [Mrs C] and advise [H] need flooring choices". Around the time these notes were recorded, Lloyds and H had been trying to contact Mrs C by phone, unsuccessfully.

On 25 January, the records show the following note, "(H) can continue and complete our works as all materials are now ordered".

This suggests to me that, if Mrs C had confirmed her choice of flooring on 19 November as H said, then there was some doubt about what her choice had been. It doesn't mean Lloyds fitted the wrong flooring, but I haven't seen any evidence to show what Mrs C chose or what Lloyds fitted.

So, I've thought about whether it matters, providing, of course, the replacement was carried out in line with the policy. Clearly, Mrs C is unhappy with the replacement flooring because it's not solid bamboo wood, and I can understand that. Looking at the policy, it provides for the following:

How we settle claims under your Buildings covers

We will pay the cost of rebuilding or repairing the part of your home which is damaged (using a suitable equivalent material wherever possible) but not more than the cost of completely rebuilding it in its original form.

This means that, if the type of flooring fitted is comparable with the one Mrs C had before, Lloyds will have fulfilled its responsibility under the policy. I've looked into the two types of wood in dispute – solid wood and engineered wood. I'm not an expert in this area so I've relied on reputable online sources to determine whether Lloyds has fitted an inferior type of flooring. To be clear, the engineered wood Lloyds fitted is not laminate flooring. It's a hardwood flooring which seems to be preferred over solid wood when used in kitchens and with underfloor heating. The appearance is broadly the same and engineered wood doesn't swell and contract in the way solid wood does. The prices of the two types of flooring are comparable.

Based on this information, and the evidence provided by Lloyds about the cost of the replacement flooring, I'm satisfied that it met the terms of the policy and replaced Mrs C's floor with a "suitable equivalent material".

Match of wood

Moving on, Mrs C wasn't obliged to have an exact match of wood to the one she had before, so she was free to select whatever flooring she preferred providing it wasn't considered betterment. I understand she was told to look at a particular website but there's some confusion around this. Mrs C says she chose the flooring but had no understanding about the different technical specifications. Lloyds said she chose her flooring from a different website altogether and it ordered the same type but from its preferred supplier. Unfortunately, neither party has supplied any evidence to support what they say.

I think, here, Lloyds should be able to obtain some sort of proof about what flooring it fitted. Lloyds said the supplier it directed Mrs C to doesn't stock the flooring she asked for and it fitted, proving she chose from another online retailer. But that could just as easily mean Lloyds ordered the wrong one when it used its preferred supplier.

It seems unusual that Lloyds can't provide any evidence of the flooring chosen or fitted, but I don't think that means it should simply replace it. Mrs C didn't complain about the flooring until she found a leftover cut-off and saw it wasn't solid wood. That indicates the overall look of the floor before then was as she expected and likely to be the one she chose. But, as I can't be completely sure what Mrs C asked for and what Lloyds fitted, I think it's reasonable that it should confirm the details before I reach a final decision.

Signposting to H

When Mrs C complained about the quality of wood flooring and the cold spot in the underfloor heating, Lloyds told her to raise her concerns directly with H. I've thought about this and I don't think Lloyds treated Mrs C fairly, here. When she claimed under her policy, it was Lloyds' responsibility to ensure that the repairs were completed properly. While it's usual practice to appoint contractors, Lloyds remains responsible for the work. Therefore, I don't think it should've told Mrs C to contact H directly about her concerns. I consider this a shortfall in service and I'll take it into consideration when deciding whether compensation is warranted.

Customer service

Lloyds offered Mrs C £75 for its service shortfalls and, later, a further £250 in response to her complaint. I've looked at why Lloyds awarded compensation, and I think the sum is fair in the circumstances. Lloyds explained that it didn't communicate using Mrs C's preferred method and, on occasions, it used inappropriate methods for her needs. Further, Mrs C didn't receive appointment delay or cancellation notices. She explained that she'd emptied her kitchen, which was exhausting for her, but Lloyds didn't turn up. On other occasions, she emptied the kitchen only to find it wasn't necessary.

Mrs and Mr C fall within the generally accepted definition of vulnerable, which Lloyds was aware of. But it seems that Lloyds didn't take care to make sure Mrs C was supported during the process.

As I've said, Lloyds has already offered Mrs C total compensation of £325, which is broadly in line with awards I'd make in similar circumstances. But, thinking about that alongside the additional shortfalls I've noted, I'm minded to require Lloyds to increase its offer by a further £100. That's to reflect the unsatisfactory visit to assess the floor for cold spots, and the lack of reassurance provided to Mrs C about whether the wood floor it fitted was the one she'd chosen.

Summary

Overall, I don't think Lloyds handled Mrs C's claim as well as she could reasonably have expected, and that's caused her some avoidable distress and inconvenience. Lloyds has replaced her underfloor heating and wood flooring, but I think it should've done more when she raised her dissatisfaction with both. While Lloyds visited to check on the cold spots, it didn't conclude anything and refused further visits. I can see why Mrs C would've been frustrated by that. I can also understand Mrs C's dissatisfaction with the flooring fitted. While the type of floor is comparable and meets the policy requirements, I don't think it's been helpful that Lloyds has been unable to evidence or reassure Mrs C that it fitted the one she chose.

For these reasons, I think it's reasonable to increase the compensation and ask Lloyds to inspect the underfloor heating. I'll also consider any evidence I receive about the flooring Mrs C ordered before reaching my final decision.

I said I was intending to uphold the complaint and I was minded to require Lloyds Bank General Insurance Limited to:

- *arrange a visit to Mrs C to identify whether there are any cold spots in the kitchen underfloor heating;*
- *repair the underfloor heating if cold spots are found which are beyond what might reasonably occur in a properly installed system;*

- *pay Mrs C the compensation of £325 which it had previously offered, if it hasn't done so already, and*
- *pay a further £100 for the failure to carry out a worthwhile inspection of, or report back the results of, her underfloor heating, causing this matter to be prolonged unnecessarily.*

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Lloyds provided evidence of the flooring it ordered and fitted, and accepted the overall outcome of my provisional decision.

Mrs C called to give details of her diary entry in which she'd recorded details of the flooring she asked Lloyds to fit. She also confirmed that she didn't look at other websites; she did tell the fitter that the flooring didn't look the same as the one she asked for; she raised the point about cold spots with the fitter, and Lloyds hadn't seen the flooring she had before so it can't compare them.

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.

I've decided to uphold Mrs C's complaint for the same reasons I gave in my provisional decision.

Flooring

Firstly, the flooring details Mrs C provided exactly match the details on the order form Lloyds provided. The diary entry and order dates also match the account notes Lloyds provided. Therefore, I'm satisfied that Lloyds ordered and fitted the flooring Mrs C asked for.

While I understand Mrs C doesn't think it was the same, and she told the fitter that at the time, it may be because the website doesn't accurately reflect the matte effect of the flooring. Nevertheless, I'm satisfied that Lloyds fitted the flooring Mrs C asked for and which was of similar quality to that which she had before. I won't be asking Lloyds to do any more in respect of this point.

Cold spots

Mrs C says she questioned the fitter about cold spots in the underfloor heating at the time of installation. She also went on to say that when Lloyds inspected it again, she didn't get an answer about whether there were cold spots.

As I said in my provisional decision, I find this unsatisfactory and I can see why Mrs C would've been frustrated with Lloyds' lack of response. But I'm satisfied that my requirement for it to carry out a further inspection is a reasonable solution to this matter.

Removed flooring

Mrs C said contractors removed her old flooring before Lloyds had chance to see it, so it can't compare the two. I've seen the photos of the removed flooring and underfloor heating, as has Lloyds, so I don't agree that it has no point of reference. That said, I've already concluded that Lloyds replaced the flooring in line with the policy terms and conditions, so I see no reason to make any further requirements of it in respect of this point.

In summary, I'm satisfied Lloyds has demonstrated that it fitted the flooring Mrs C asked for and that it was of a similar quality to the one removed. Therefore, I'll be requiring Lloyds to complete the actions set out in my provisional decision, but I won't be asking it to do any more in respect of the wood flooring.

My final decision

For the reasons I've explained above, and in my provisional decision, I uphold Mrs C's complaint and Lloyds Bank General Insurance Limited must:

- arrange a visit to Mrs C to identify whether there are any cold spots in the kitchen underfloor heating;
- repair the underfloor heating if cold spots are found which are beyond what might reasonably occur in a properly installed system;
- pay Mrs C the compensation of £325 which it had previously offered, if it hasn't done so already, and
- pay a further £100 for the failure to carry out a worthwhile inspection of, or report back the results of, her underfloor heating, causing this matter to be prolonged unnecessarily.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 12 April 2022.

Debra Vaughan
Ombudsman