

## The complaint

Mr R complains about Lloyds Bank General Insurance Limited (Lloyds') handling of a claim he made under his buildings insurance policy.

## What happened

In August 2019, a pipe burst in the first-floor bathroom in Mr R's property. He contacted Lloyds to log a claim. They arranged for a contractor to dry out the property. However, given the damage that had occurred it wasn't possible for Mr R and his family to stay in their home whilst the remedial works were carried out.

Mr R and his family moved into alternative accommodation, with many of their contents placed into storage. Mr R and his family returned to their home in Spring 2021.

During the claim, Mr R made a number of complaints to Lloyds about its handling of the claim. He said there had been significant delays in resolving his claim and challenges in communication with many changes to the people handling his claim. He also complained the remedial works were not completed to a satisfactory standard, saying there were items which were damaged by Lloyds' contractors. Mr R also queried whether he should pay utilities incurred at both his home and at the alternative accommodation.

Lloyds responded to the complaints over the course of five separate final response letters issued between December 2019 and April 2021. It acknowledged there had been delays in handling the claim, along with an unsatisfactory standard of works and poor service. Lloyds paid Mr R a total of £550 compensation for the trouble and upset experienced.

Unhappy with Lloyds handling of the claim, Mr R referred his complaint to this service. Our investigator said Lloyds should pay a further £100 for the distress and inconvenience experienced as a result of not receiving the compensation offered. As neither side agreed with her conclusions, this matter has been passed to me.

In March 2022, I issued a provisional decision. This is what I said:

### *"What I can consider*

*As I've said, during the course of this claim, Mr R made several complaints to Lloyds. He first contacted this service in January 2021. This was more than six months from the final responses issued in December 2019 and January 2021. Lloyds offered Mr R compensation of £100 and £50 respectively in these letters.*

*These complaints weren't referred to our service within six months of each of the final response letters being issued. Mr R hasn't told us of any exceptional circumstances that would have prevented him from referring these complaints to this service. As a result, I'm unable to consider any issues raised in these two complaints. It follows I'm also unable to decide if the compensation awarded for these complaints is fair and reasonable.*

*As a result, my decision focuses on those issues raised and addressed in the September 2020 final response letter onwards.*

### *The buildings claim*

*Although I've briefly summarised the background, I've considered all that's happened and my decision focuses on those issues I consider most relevant to the outcome. This isn't intended to disregard any of the comments made by either side, rather it reflects the informal nature of the organisation.*

*As I've said above, I'll consider Lloyds' handling of the claim from January 2020 onwards, as this is the timeframe considered in the September 2020 final response letter.*

*Lloyds accepts there are periods where there is a lack of communication about the claim between it and Mr R. I agree the level of communication fell below the standard Mr R ought to have received. Here I'm referring to the time after the remedial works were indicated to have been finished in May 2020. However, it's suggested from both the claim notes and the final response letter issued in September 2020, there was no meaningful communication until July 2020.*

*There then seemed to be very little meaningful progress on Mr R's claim until the end of 2020. Lloyds has said this is down to a number of different factors. It's said these included the Covid-19 pandemic, the loss adjuster leaving, and correspondence being missed. I appreciate the pandemic will likely have impacted the handling of this claim. But I don't think it's acceptable Mr R's claim appears to have been so delayed by issues that ought to have been resolved by Lloyds fairly swiftly, like correspondence being missed or overlooked.*

*Against this background, Lloyds said towards the end of 2020, it made a number of attempts to contact Mr R but without receiving a response. I can see from the claim notes there were several attempts to call Mr R during December 2020, but without a response. So, I do think there is a point where Lloyds was proactively trying to move the claim on but wasn't able to contact Mr R to do so.*

*Mr R has complained he has had to pay utility bills at both properties and hasn't received a reduction for council tax on his property. Mr R says that he has provided this information to the loss adjuster, but Lloyds say it hasn't been provided. However, in the final response from Lloyds in February 2021, it's stated the utility bills were being considered by the loss adjuster. Lloyds told this service it doesn't have any evidence on file to show a complaint about the utilities that has been made or addressed, but I don't agree. I consider this is another example of the lack of communication and poor service that resulted in Lloyds paying Mr R compensation in the final response letters. If Lloyds hasn't already contacted Mr R about the utilities for both properties, it should do so as a matter of urgency.*

*I'll turn now to the snagging issues that arose as Mr R was told the property was ready for him to move back into. Mr R should have expected after such a long time of being away from his home, that the remedial works had been carried out to a satisfactory standard, but this was not the case. It took from January until March 2021 for the snagging works to be fully completed and arrangements for the boiler to be replaced.*

*Mr R complained about his contents. In April 2021. And it's noted they were water damaged whilst in storage. Lloyds said that they need to be inspected and this would be arranged. This is also noted in the final response letter from April 2021 – which is the point I can consider up to. If Lloyds has not yet arranged to inspect the contents Mr R says were water damaged whilst in storage, it should do so. If Mr R remains unhappy with Lloyds' continued handling of this part of his claim, he can raise another complaint and ask this service to consider it.*

*I appreciate Mr R feels very unhappy with the entire handling of the claim. He has raised some issues that are no doubt frustrating – such as being told by the cleaner of his alternative accommodation that his lease was coming to an end – but were beyond Lloyds' control. However, I consider there was much more Lloyds could have done to progress the claim between May 2020 and March 2021. This was within Lloyds' control and it ought to have done more.*

*Mr R has explained that his distress and inconvenience he and his family experienced as a result of being delayed in returning to their home. He's said it's been worrying and frustrating being out of their home, without their contents for so long. When considering this, along with Lloyds' recognition of poor service, communication, workmanship, and delays, I'm intending to require Lloyds to pay Mr R a total compensation payment of £1,000, less the £400 awarded in the final response letters I can consider."*

Lloyds accepted my provisional decision. Mr R said that he wasn't happy with the content of the provisional decision. He felt this service's role was to protect people, not insurance companies, so he wasn't happy that there were parts of the claim we couldn't look at. He said he spent over £5,000 on a kitchen that Lloyds' workmen damaged. And he reminded us that the claim itself is still ongoing, with the issues about his contents unresolved.

### **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 understand for Mr R this matter is unresolved and what I've been able to review is a snapshot of a claim that's been running for over two years. I'm sorry that he feels my provisional decision doesn't cover all the issues he's raised. But nothing in his response has caused me to change my mind about those issues I said were referred to us too late to be considered.

It's clear the fact the claim is still ongoing is a source of frustration for Mr R. It's now for Mr R to decide if he wants to raise another complaint about Lloyds' handling of the issue of the contents insurance. I've also reconsidered the final response letters issued by Lloyds, and I can't see any of them specifically address Mr R's concerns about the kitchen being damaged by Lloyds' contractors, or that this concern was specifically raised. It's now for Mr R to decide if he wants to formalise a complaint about this point, in addition to the contents claim.

Our role isn't to act as a regulator. Instead, our role is to reach a decision we think fair and reasonable in the circumstances of a complaint. And while I've considered Mr R's further comments, they haven't led me to reach a different conclusion. I don't consider Lloyds handled this claim in a timely manner, and the delays and poor communication caused Mr R avoidable distress and inconvenience. I'm satisfied a fair and reasonable response to Mr R's complaint is for Lloyds to pay a total compensation payment of £1,000, less the £400 already offered, for the reasons I've given above.

### **My final decision**

I uphold this complaint. I require direct Lloyds Bank General Insurance Limited to pay Mr R a total of £1,000 compensation, less the £400 already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 20 April 2022.

Emma Hawkins

**Ombudsman**