

## **The complaint**

Mrs G complains about the way Lloyds Bank General Insurance Limited handled and settled a claim against her buildings insurance.

Mr G – Mrs G’s representative – has brought the complaint on her behalf. For ease of reading I’ll refer to them as “Mrs G” throughout, unless stated otherwise.

## **What happened**

The background to the complaint is known to all parties, so I won’t repeat it here. In my decision I’ll mainly focus on giving the reasons for reaching the outcome I have.

Mrs G reported a claim to Lloyds in December 2020 after a car and caravan caught fire opposite her home. Lloyds accepted the claim and cash settled it based on Mrs G’s own contractor’s quote. But they removed some repairs from the quote they say weren’t claim-related.

Mrs G wasn’t happy. She says Lloyds failed to assess the heat damage caused to the roof, chimney, and side elevation render. She also says they caused nine months delay despite knowing about her health circumstances. So, she complained.

Lloyds say they asked Mrs G’s contractor to comment on what caused the damage to these areas, but they declined to do so. They did, however, provide photos which Lloyds relied on to remove several repairs from the cash settlement. They responded to the complaint in February 2022 maintaining their position on the claim, but paid Mrs G £100 compensation for delays caused. Mrs G remained unhappy and approached our service.

Our investigator recommended the complaint be upheld. He thought Lloyds settled the claim fairly but recommended they pay Mrs G a further £150 compensation for the delays caused. Neither party accepted the investigator’s view, so the case was passed to me to decide.

## **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.

### *Whether Lloyds settled the claim fairly*

Lloyds’ liability was limited to cash settling the repairs to damage caused by the fire. And the question I must answer here is whether I think Lloyds assessed and settled the claim fairly.

I accept Lloyds didn’t reattend following their July 2021 letter saying they would. Although it’s disputed, the claim notes suggest Mrs G requested a visit twice – the first she cancelled due to her health, and on the second occasion the surveyor wasn’t available. Repairs were later completed – which included the areas not yet validated – around October 2021.

It's unclear why Mrs G's own contractor declined to provide Lloyds with information regarding the areas repaired that hadn't been validated. I agree it would have been helpful for Lloyds to have reattended, and it's not quite clear why that didn't take place. But, in any event, I've gone on to consider what happened next.

Lloyds passed Mrs G's contractor's photos to an in-house surveyor. It's not uncommon for aspects of a claim to be validated by photos, provided the photos are clear – which I think they are in this case. The surveyor commented on the photos, and said, amongst other things, that:

*'There is no evidence of any smoke or **heat damage** [bold added for emphasis by ombudsman] from the fire in the street... We must not overlook that for a long time the chimney brickwork has been transporting smoke quite normally and naturally away from the interior when solid fires were lit. The chimney construction is very resilient to the affects of heat.'*

So, whilst a reattendance didn't take place, I'm satisfied Lloyds acted reasonably when relying on their in-house surveyor's comments based on the photos provided by the repairing contractor. I note Mrs G says Lloyds only considered the smoke damage, but it's clear from the above extract (I've highlighted in bold) that heat damage was also considered.

They also reviewed photos of Mrs G's house dating back to 2009 using an online maps service. They say the photos from 2009 and those provided by the contractor show the cement pointing had eroded in some areas with minor cracking showing, and re-pointing was required because of gradual weathering and erosion – not the 2020 claim incident. They also make the same remarks regarding the side elevation render, where they say the same cracks can be seen in photos dating back to 2009, prior to the claim incident.

And whilst there were no photos of the hip and ridge tiles, they say its unlikely fire damage was the cause, as these are the surfaces most vulnerable to weathering as they are the most exposed feature of the roof. And fire and smoke damage on such a surface, given smoke was travelling quickly upwards, would be unlikely that the hip and ridge tiles required re-bedding due to the claim incident.

I've seen Mrs G feels strongly these areas were damaged by intense heat, and her representative has shared his views. I've seen the video clip online of the fire, so I understand why they think intense heat was the cause. But, I'm not a surveyor and must base my decision on all the information available to me, including expert opinions. And in this case, I haven't been persuaded by Mrs G there's strong supporting evidence to challenge Lloyds' surveyor's comments, or that demonstrates they failed to assess the claim and settle it fairly. So, I won't be requiring Lloyds to do anything further in respect of the claim.

I've also seen Mr G says the scaffolding Lloyds erected caused damage to a property next door which they had to pay for. Within Lloyds' final response letter, they requested Mrs G forwards any costs so they could be considered further, which was the right thing to do. Mrs G should forward the costs and relevant information to Lloyds if she hasn't yet done so.

### *Delays and compensation*

I was sorry to read of Mrs G's health circumstances. She says Lloyds delayed the claim by nine months despite being aware of this. She also says she saved Lloyds a significant amount of money by staying with her representative – Mr G – throughout the claim, rather than using the alternative accommodation section of the policy.

Like our investigator, I've also created an approximate timeline of events to decide whether I think Lloyds caused any avoidable delays. And, having done so, I cannot agree Lloyds were responsible for nine months' worth of delays. I can appreciate things took longer than all parties might have anticipated, but I'm mindful this was a rather complex claim. I've seen from the initial February 2021 report, the surveyor says the property next door – also impacted by the fire – had repairs already underway at this point, so, I do appreciate Mrs G would have been frustrated with progress.

But, I've seen most of the delays are accounted for where surveyor's and quotes were being arranged, and Lloyds then challenged aspects of this which they were within their right to do – particularly given I'm satisfied some aspects didn't fall within their liability.

There were some delays I think could have been avoided, or at least shortened, early in the claim. Lloyds accepted this and paid Mrs G £100 compensation. I'm in agreement, however, with our investigator that the £100 compensation payment from Lloyds doesn't go far enough to recognise the impact this had on Mrs G, particularly given her health circumstances and she was out of her home. So, I'll be directing Lloyds to pay Mrs G an additional £150 compensation.

Whilst Mrs G was away from her home and had the benefit of alternative accommodation, she stayed with her representative, Mr G, and I've seen Lloyds paid her an allowance of £25 to help with utility bills, amongst other things. Whilst I accept Lloyds would have been required to cover a higher amount had Mrs G decided to use the alternative accommodation benefit, she didn't. So, I wouldn't expect this section of the policy to respond retrospectively.

### *Summary*

This was a complex claim and things didn't go as smoothly as all parties would have liked. But, in answer to the question I set out earlier in my decision, I'm satisfied Lloyds assessed and settled the claim fairly in line with the policy terms.

I do, however, think things could have been handled better. Whilst I don't agree Lloyds caused nine months' worth of delays, there were avoidable delays during the earlier stages of the claim I've no doubt would have caused Mrs G to experience a level of distress and inconvenience – over and above what's naturally expected following a fire claim – particularly given her health circumstances. So, I'll be directing Lloyds to pay Mrs G £150 compensation.

### **Putting things right**

Lloyds must now pay Mrs G £150 compensation for any distress and inconvenience caused.

### **My final decision**

My final decision is I uphold it. I now require Lloyds Bank General Insurance Limited to pay Mrs G £150 compensation for any distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 21 July 2022.

Liam Hickey  
**Ombudsman**