

The complaint

Mr S has complained about the poor service he received from Lloyds Bank General Insurance Limited when he made a claim under his home insurance policy.

Mrs S on behalf of Mr S is dealing with the complaint.

What happened

In September 2021 Mr S made a claim under his home insurance policy with Lloyds for an escape of water from a leaking stopcock. This caused water damage to his kitchen.

In November 2021 Mr S complained to Lloyds as his claim was no further forward after two months. He was unhappy with the service he received from the Loss Assessor (LA) team appointed by Lloyds to deal with his claim.

Lloyds upheld Mr S's complaint and apologised for its failings. It paid Mr S £150 compensation for the distress and inconvenience caused.

Mr S remained unhappy and didn't feel the compensation awarded was enough. So he asked us to look at things for him.

Since then, Mr S raised further complaints with Lloyds for ongoing delays and poor service in the handling of his claim. Lloyds upheld Mr S's complaints in February and March 2022, paying him a further £100 and £150 respectively for the distress and inconvenience its failings have caused. So Lloyds have paid Mr S £450 in total.

In May 2022 our Investigator recommended Lloyds increase the compensation it paid by a further £100 in relation to the complaint it replied to in March 2022. She thought Lloyds had done enough to otherwise resolve Mr S's complaints.

Mrs S didn't agree. She provided details of ongoing issues since March 2022. Our Investigator explained that her view dealt with complaints Lloyds replied to up to and including 10 March 2022.

Lloyds didn't agree. It said it had paid a fair level of compensation. It provided a copy of a final response to a complaint dated 30 March 2022. This complaint was upheld but no compensation was awarded. Lloyds said it was happy for us to include this in our investigation.

Mrs S asked for an ombudsman decision. She says our investigation has taken into account compensation awarded after 10 March 2022, but we haven't investigated.

Lloyds agreed to the recommended increase in compensation of £100. It says it has recently received a damp report from Mr and Mrs S which it is reviewing.

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.

To clarify, I'm looking at complaints which Lloyds replied to on 23 November 2021, 4 February 2022, 10 March 2022 and 30 March 2022. I haven't considered any complaints Lloyds may have replied to after this date and I've only considered the compensation awarded in these replies.

Mr S is free to bring any further complaints to this service if he is dissatisfied with Lloyds' response(s) after 30 March 2022.

I don't intend to go into the same level of detail as the Investigator, but I have considered each complaint, Lloyds' response and what Mr and Mrs S have told us.

Dealing with a claim, particularly one involving water or fire damage, can cause considerable upheaval, inconvenience and disruption to daily life, including sometimes having to take time off work. There will be a number of contractors involved in the works for plumbing, asbestos checking, drying out and replacement and repairs. A degree of inconvenience is expected in these circumstances. Fortunately having to deal with a claim isn't an everyday occurrence.

However, in this case I think Lloyds' service has been poor and it's clear that Mr S - and Mrs S on his behalf - have had to regularly contact Lloyds and its agents for updates on this claim. Lloyds and its agents have caused delay in providing instructions to contractors and in progressing the claim generally.

When things go wrong, we look at what the impact was and what an insurer did to resolve the complaint(s).

I understand that Mr and Mrs S weren't without a functioning kitchen during this time. But they've explained that the conditions have been far from ideal as they've had to use other rooms for storage of kitchen items. I think Lloyds should have ensured that the claim was promptly progressed, particularly following its response in November 2021. But it's clear poor service has continued and I think this is unreasonable.

There were times when the claim didn't progress for reasons outside of Lloyds' control due to unexpected sickness by a contractor - and this led to appointments being rearranged. Mr S was unwell before Christmas and so work was put back until the new year for this reason.

In Lloyds' response dated 30 March 2022 it said it would appoint an agent to assess mould which Mr S says is growing in the kitchen because of the damp in there. I think this was a reasonable outcome. Lloyds' has received further information from Mr S since then. This doesn't form part of my decision. If Mr S is unhappy with the outcome of Lloyds' review of the information provided, he can raise a new complaint.

Lloyds accepts that it has failed to provide the service Mr S should have reasonably expected and as a result the claim has been delayed. Overall I don't think a fair compensation award for the poor handling of the claim up until 30 March 2022 has been paid by Lloyds. I think £550 - so a further £100 - is a fairer sum to reflect the distress and inconvenience it caused over and above what would be reasonable for this type of claim.

I understand Mrs S on behalf of Mr S doesn't think this is enough and I'm sorry Mr and Mrs S will be disappointed with my decision. But I think this is a fair outcome - up to and including Lloyds' final response dated 30 March 2022.

My final decision

For the reasons I've given above, my final decision is that I uphold this complaint. I require Lloyds General Insurance Limited to pay Mr S £100 compensation in addition to the £450 (if it hasn't already paid it - it should pay £550 in total).

Lloyds General Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 July 2022.

Geraldine Newbold
Ombudsman