

The complaint

Mr C is unhappy with Lloyds Bank General Insurance Limited's (Lloyds) handling of a claim made under his home insurance policy.

What happened

In October 2020 Mr C noticed damp in his property and reported this to Lloyds, his home insurance provider. Lloyds carried out an inspection and determined the cause was an issue with the drains, due to poor installation. Lloyds said the drain repairs wouldn't be covered under Mr C's policy, but the damage caused by the escape of water would be.

Mr C arranged for the drains to be repaired so Lloyds could deal with the escape of water damage.

Drying was carried out but this wasn't successful. Further strip out works were completed, and further drying was required. It was also thought there was another leak, which was adding to the drying being unsuccessful.

When the property was eventually deemed dry, it was identified that some of the kitchen units were water damaged, so needed replacing. This is something Mr C had raised concerns about but hadn't been recognised by Lloyds. This caused further delays in repairs being able to be completed.

In addition to the delays in repairs commencing, the repairs which were then completed were carried out poorly. Lloyds agreed to cover the cost of Mr C obtaining his own contractors to finish the works.

Mr C raised several complaints during the course of the claim. This included alleged exposure to asbestos, the time taken for drying and repairs and the quality of repairs. Over the course of the claim and complaints, Lloyds offered a total of £1,325 compensation. Mr C was unhappy with this amount and approached this service.

Our investigator looked into matters. There was some initial confusion as Lloyds asked her to make an offer of compensation to Mr C on their behalf. Whereas the amount they outlined was actually what they had already offered, and they weren't proposing to increase this.

The investigator re-reviewed things, and ultimately, she said what Lloyds had already offered was fair, so she didn't recommend they increase the level of compensation.

Mr C didn't agree and asked for a final decision from an ombudsman.

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 don't intend on commenting individually on every event or action that occurred throughout the history of the claim. I don't mean this as a discourtesy to either party, but both parties are already aware of what has happened. And Lloyds accepts there have been service failings, which is why they offered compensation during the course of the claim and complaints.

Instead, I'll focus on what I believe is important in reaching a decision which is fair and reasonable in all the circumstances of the case. And I'll briefly reference some of the key things that happened. Having said that though, I'd like to reassure both parties that I've considered all the information they've provided when reaching my final decision.

During the claim, Lloyds offered a total of £1,325 compensation and addressed several complaints made by Mr C. This is summarised as follows:

- April 2021 final response - £550 compensation offered. Primarily given for delays in investigating why Mr C's property wasn't drying. Lloyds also explained the property was safe from exposure to asbestos. They also noted that alternative accommodation was offered but refused and the kitchen units would be replaced if damaged.
- August 2021 final response (and a follow up letter in September 2021) - £75 compensation offered. Primarily given for the kitchen units not being inspected, and the resultant delays. It also outlined Lloyds wouldn't replace the worktops, and they'd received confirmation asbestos wasn't airborne, and testing had been carried out.
- November 2021 final response - £700 compensation offered. Primarily given for poor workmanship during repairs, delays and poor service overall.

So, Lloyds accepts things went wrong and this is why they offered compensation. I need to decide whether the compensation they've offered is reasonable.

Having looked at what happened, I can see some of the key reasons the claim took the length it did was due to drying not being completed correctly from the outset, a drying certificate being issued, but the damp levels immediately returning. As a result, another drying company were appointed to dry the property, and this resulted in the drying taking a lot longer than expected.

There was also another leak which was identified when the damp kept returning, and this needed resolving before drying could be completed effectively. This meant investigating where it was coming from, and how to repair it.

And when drying was eventually completed, and works started, it was discovered some of the kitchen units were damaged so new units needed to be obtained – which delayed things. I also note that this was a concern Mr C had raised much earlier in the claim, during drying, so likely could've been avoided if Lloyds had identified and recognised this then.

When repairs were eventually carried out, the workmanship was poor. Ultimately the contractors were appointed by Lloyds, so it was their responsibility to put things right. The contractor didn't agree with the concerns raised by Mr C, which meant Lloyds needed to investigate, and when they did, they agreed with the concerns Mr C had raised. Lloyds then suggested Mr C appoint his own contractors to complete repairs with them covering the cost. But this didn't go smoothly, as Lloyds asked for an asbestos specialist to attend, when the property wasn't actually ready for them to carry out works.

As I say, I've only briefly summarised some of the key points. But its clear things didn't go as planned, and the timescale was extended significantly because of this. And when things did appear to be back on track, further issues arose which required putting right and this caused additional delays.

When considering whether the amount of compensation is fair and reasonable in all the circumstances of the case, I've considered what happened in the claim overall. And whilst I acknowledge Mr C has said he is happy with parts of the compensation offered by Lloyds throughout the claim for specific periods, and unhappy with others, I've considered everything that happened, overall, when deciding the appropriate amount. And having done so, I'm satisfied the £1,325 already offered by Lloyds is fair and reasonable in the circumstances overall for what happened, so I'm not going to direct them to increase this amount.

Mr C has also raised concerns that his household was exposed to asbestos, he says as a result of Lloyds' appointed contractors' actions. However, whilst I do recognise the concerns Mr C has due to asbestos being discovered in his flooring, the information provided indicates that the asbestos was sealed into the floor and bound into adhesive. And the various parties involved have reassured Mr C that the relevant requirements were followed. An Asbestos air test was also carried out which indicated the air was safe. Whilst I note Mr C says he accepts this; he's also said that there is no way to tell the levels before the air test was carried out.

Mr C has also raised concerns that his worktops were contaminated due to the asbestos exposure, but there hasn't been any expert evidence provided which shows this is the case.

I recognise Mr C's strength of feelings on the matter. But based on the evidence provided, and mentioned above, I'm unable to conclude that Lloyds (and their appointed contractors) actions have been unsafe and exposed Mr C and his household to asbestos, or that the worktops should be replaced.

I also note that Lloyds has said alternative accommodation was offered but refused. And whilst I note Mr C disputes this, the information provided does reflect this.

Lloyds did mention in their final response in August 2021 that if Mr C has evidence of exposure or contamination, such as from a suitably qualified professional, then he should submit it for consideration. I don't think Lloyds' position here is unfair or unreasonable, based on what I've seen.

My final decision

Lloyds Bank General Insurance Limited has already made an offer to pay £1,325 to settle the complaint and I think that offer is fair in all the circumstances.

So, my decision is that Lloyds Bank General Insurance Limited should pay the £1,325 compensation offered, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 September 2022.

Callum Milne
Ombudsman