

## **The complaint**

Mr D and Ms R complained about Society of Lloyd's. They aren't happy about the way it settled a claim under their home insurance policy.

For ease of reading any reference to Lloyd's includes the actions of its agents which it is responsible for.

## **What happened**

Mr D and Ms R had a flood at their home address and made a claim under their home insurance policy. Lloyd's looked into the claim for them and once the property dried out undertook repairs. And Mr D and Ms R advanced a separate claim and complaint in relation to their building warranty provider which is being considered separately. As they weren't happy about the way Lloyd's dealt with their claim they complained to Lloyd's and then this Service.

Lloyd's acknowledged that it could've dealt with things better for Mr D and Ms R. And offered £1,500 by way of compensation for the delay in dealing with the original claim and not clearly communicating that its repairs were a temporary measure. And that it wasn't responsible for the cause of the claim which lay with the warranty provider more clearly. But Mr D and Ms R remained unhappy and so complained to this Service.

Our investigator looked into things for them and partly upheld their complaint. He thought Lloyd's offer of £1,500 compensation was fair in acknowledgement of its delay and poor communication. He thought it was clear that the repairs wouldn't have been completed under the building warranty by the time of the second flood even if the matter was referred earlier. However, he thought Lloyd's should pay the cost of any damaged flooring caused by the second flood if Mr D and Ms R provided evidence that any additional damage caused isn't being covered by the warranty.

Lloyd's accepted the position outlined by the investigator, but Mr D and Ms R didn't. They maintained they were told that the repairs Lloyd's undertook would be lasting. So, the matter has been passed to me for review.

## **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 can understand Mr D and Ms R's frustration with how things were explained to them and the clear stress the flood claim caused them. But I have to be fair to both sides when I consider complaints and although I know this will come as a disappointment to Mr D and Ms R, I think Lloyd's offer of £1,500 compensation feels fair in addition to the steps outlined by our investigator. I'll explain why.

I also think it's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said in this decision it's not because I didn't see it, it's because I didn't deem it relevant to the

crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint.

I know Mr D and Ms R feel Lloyd's initial repairs were meant to be a permanent repair in relation to the original flood. And that they would have taken additional steps which they feel would have prevented the second flood if they were aware of this. But I agree with our investigator that, even if this was the case, the original flood repairs wouldn't have been completed by the time of the second flood by the warranty provider. I say this as it is clear the warranty claim has taken a long time to be considered and so I agree, on balance, that it is unlikely to have been dealt with in time. So, even though it must have been very stressful for Mr D and Ms R to face the second flood I can't hold Lloyd's responsible for any failings by the warranty provider or the issues caused by the second flood no matter how stressful this was.

In relation to the claim Lloyd's accepts it shouldn't have started completing the repairs in relation to the damaged flooring until the issues stemming from the warranty which caused the problem were fixed. Mr D and Ms R accept the building warranty provider is responsible for the problems they faced with the flood (and this is being advanced separately) and Lloyd's declined this part of the claim because this specific cover was in place. So, if there is any further problem with the flooring that was replaced, and the warranty provider doesn't cover it, I agree it would be fair for Lloyd's to pay for this.

Given all of this, and despite my natural sympathy for the position Mr D and Ms R found themselves after the floods at their property, I think Lloyd's offer of £1,500 compensation in acknowledgement of its delay in dealing with the claim and not explaining things more clearly seems fair.

### **My final decision**

It follows, for the reasons given above, that I agree Society of Lloyd's should pay £1,500 in compensation. And it should cover the cost of any flooring damaged by the second flood if it isn't covered by any other insurer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Ms R to accept or reject my decision before 17 March 2023.

Colin Keegan  
**Ombudsman**