

The complaint

Mr P complains about how Lloyds Bank General Insurance Limited handled and settled a claim he made under his home insurance policy for storm damage.

What happened

Mr P holds a household insurance policy with Lloyds. In mid-February 2022, he said there was a storm. During this period of poor weather, he said he heard a very loud cracking sound. When he was able to go outside, he noticed that there were areas of damage to some of the pointing in the roof, which had detached and blown to the ground.

Mr P contacted Lloyds to make a claim under his policy for storm damage. He submitted a claim online on 8 March 2022 and, in response to this, Lloyds asked him to provide photographs of the roof and a repair quote from a roofing company.

Lloyds appointed a Personal Claims Consultant (PCC) to assess the cause of damage and assist it in dealing with the claim. The PCC undertook a desktop review using the photographs, quotation and information Mr P had provided and informed Lloyds that thermal expansion and contraction had caused the reported issues with the roof. The PCC said this process had happened gradually. So, Lloyds repudiated Mr P's claim.

Mr P asked Lloyds to reconsider his claim by way of a complaint. When Lloyds responded it maintained its repudiation decision stating that, while it was satisfied there were storm conditions prevalent at the time the damage was sustained, it thought the damage had been caused gradually as indicated by the PCC. It said damage caused in this way was excluded by Mr P's policy. So, it didn't think its decision to decline his claim was incorrect. But it thought it could have reached a decision about the claim sooner and paid Mr P £100 compensation to reflect the trouble and upset this would have caused.

Being dissatisfied with how Lloyds had dealt with his complaint Mr P referred it to our service. Our investigator looked into what had happened. They initially recommended upholding this complaint. However, following the receipt of further information from Lloyds, they reversed the initial uphold view. They thought Lloyds had acted fairly in declining his claim but recommended it pay Mr P an additional £100 in compensation to settle the complaint. Both Mr P and Lloyds disagreed with our investigator's view of this complaint. So, I've been asked to reach a decision as to the fairest way to resolve matters.

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'm aware that I've summarised the events of the complaint. I don't intend any discourtesy by this - it just reflects the informal nature of our service. I've concentrated on what I think are the key issues. I can assure Mr P and Lloyds that I've read everything that's been sent. So, if I've not mentioned something it's not because I haven't considered it. It's just that I don't think I need to comment on it in order to reach what I think is a fair and reasonable outcome.

My role is to assess whether I think Lloyds made a mistake in deciding Mr P's claim, or treated him unfairly, such that it needs to now put things right.

There's no dispute that damage occurred to Mr P's property. However, there's disagreement between him, Lloyds and its appointed agent about the cause of the damage and the correct outcome of this claim.

Mr P would like Lloyds to cover the damage to his property because he feels it was caused by adverse weather. His policy with Lloyds provides cover for damage caused by a range of perils that might happen. These are specific one-off events and include storm, for example. But, for a claim to be successful, the onus rests on Mr P to show that the damage he's claiming for was caused by one of the perils listed in his policy.

There are three conditions that need to be met before this service would say a claim for storm damage should succeed. Those are:

1. Is there evidence that there was a storm around the date of the damage?
2. Is the damage consistent with what we would normally consider storm damage?
3. Was the storm the main cause of the damage?

I have re-assessed Mr P's complaint and all the evidence with these three questions in mind. And I should also clarify that the answer to all three questions needs to be 'yes' for this service to be able to recommend that a storm complaint is upheld.

In weighing up the first question, I can see that Mr P's policy defines the word 'storm' as:

"strong winds with gusts of at least 55 mph, sometimes accompanied by rain; and/or hail or snow of such intensity or weight that it causes damage to hard surfaces or breaks glass."

So, I've thought about this definition when deciding whether there were storm conditions on or around the date Mr P's claim.

Mr P pointed to a storm that occurred in mid-February 2022. He thinks this was the date damage was caused to his pointing. Weather reports relevant to Mr P's locality show that the highest wind speeds recorded were 56 and 62 mph on 16 and 18 February respectively. As this meets the policy definition of a storm, I'm persuaded that storm conditions existed at around the date of the damage. It follows that I can answer question one affirmatively.

Turning to question two, I've thought about whether the damage claimed is consistent with damage a storm typically causes. Here, some pointing in the roof became detached and fell to the ground. I'm satisfied that the damage reported is something that could be expected following a storm. I can therefore answer this question affirmatively.

For me to uphold Mr P's complaint, I'd have to be satisfied on balance that a storm was the main cause of the damage he reported to Lloyds. And, taking everything into account, I'm not persuaded the damage is consistent with a one-off storm event. I'll explain why.

Lloyds appointed a PCC to provide an opinion on the cause of damage. I'm satisfied the PCC had significant experience of assessing building claims. So, it isn't unreasonable for Lloyds to use the PCC's expertise in assessing a storm claim.

After undertaking a desk top review of the information Mr P had provided, the PCC informed Lloyds that:

“all that pointing to the porch roof verge and main roof verge is historic, you can clearly see the moss growth. Thermal expansion and contraction causes hairline cracks, water gets in and when it freezes it expands, thus causing the cracks to widen, the pointing then falls out.”

It's clear that Mr P disagrees with the PCC's opinion on the cause of damage. But I haven't seen any evidence that discredits its opinion.

While the PCC didn't attend Mr P's property to assess it in person, I'm persuaded it had sufficient information on which to determine the cause of damage here. And, impartially, I think the photographs Mr P provided support the PCC's opinion that the mortar bond has deteriorated and weakened the pointing in some areas due to age related wear and tear.

I'm satisfied that Lloyds has shown our service cogent evidence, which demonstrates that the damage, most likely, occurred due to the pre-existing condition of Mr P's property. I don't think the pointing would have dislodged when it did had it not been damaged previously. So, I don't believe the storm was the dominant cause of damage. I think it's most likely the adverse weather that Mr P experienced in mid-February 2022 highlighted the pre-existing condition of his roof and caused it to worsen.

Lloyds' policy booklet makes it clear that loss or damage caused by wear and tear, a lack of maintenance or damage that's happened gradually over a period of time is specifically excluded under Mr P's insurance policy. This is in common with most home insurance policies because insurance is intended to cover the unforeseen. And something wearing out or requiring maintenance isn't unforeseen.

As Lloyds has shown that the damage that occurred isn't covered under the terms and conditions of Mr P's insurance policy, I don't think its decision about his claim was unfair and unreasonable. And this means I can't ask it to pay this claim.

I'll turn now to the final part of Mr P's complaint, which is about the service he received from Lloyds.

Within its final response to Mr P's complaint, Lloyds acknowledged that it should have declined his claim earlier. It paid him £100 compensation to recognise this delay. In thinking about whether this was a fair resolution I've looked carefully at the chronology of the claim.

On 8 March, Mr P submitted photographs of the damage he reported to Lloyds. It accepts that at this stage of the claim it should have appointed the PCC or declined the claim based on the photographs. However, instead, Lloyds asked Mr P to submit an amended invoice from the roofing company he'd approached. This caused him to have to obtain a further invoice, which was unnecessary in all the circumstances.

Like our investigator, I think that if Lloyds had appointed a PCC at the outset, Mr P's claim would have been declined sooner. I also think that, in requesting clearer invoices, Lloyds created a legitimate expectation in Mr P's mind that his claim was likely to succeed.

I can see that, on 28 March, Lloyds informed Mr P that his claim was being declined. It stated that the *“cause of damage was due to a gradual operating cause”*. I think this explanation was vague. I say this because Lloyds didn't expand on why it thought the damage had happened gradually.

A full explanation for the repudiation decision wasn't provided to Mr P until 31 March. As the PCC's opinion on the likely cause of damage had been known earlier, I think this explanation could have been provided to Mr P sooner. It would have informed Mr P's understanding of why his claim had been declined.

In this case it's clear the service from Lloyds could have been better. It's reasonable to expect it to decide the outcome of a claim at the earliest opportunity and provide clear information about repudiation decisions to its policyholders to encourage transparency and confidence. It's therefore reasonable for Lloyds to pay a sum of compensation to Mr P that properly acknowledges his experience.

Putting things right

We aren't here to punish businesses. And, to put things right, I'd have asked Lloyds to pay an appropriate amount of compensation to reflect the trouble and upset caused to Mr P by what happened.

Lloyds had already paid Mr P £100 in compensation prior to this complaint being referred to our service. Like our investigator, I'm not persuaded this amount goes far enough. Mr P doesn't think the £200 compensation recommended by our investigator adequately reflects his distress and inconvenience. But I'm afraid I agree with our investigator's view that £200 is a fair amount of compensation in the overall circumstances of this complaint. I haven't seen enough evidence to persuade me that a higher award is warranted and the amount recommended by our investigator is in line with our approach in similar scenarios. So, I'll be directing Lloyds to pay £200 in compensation to Mr P – less the payment already made.

I know that Mr P will be disappointed by this decision. But this now brings to an end what we, in trying to resolve his dispute with Lloyds informally, can do for him. I'm sorry we can't help Mr P any further with this complaint.

My final decision

My final decision is that I uphold this complaint in part. I'm aware that Lloyds Bank General Insurance Limited has paid £100 compensation to Mr P. My decision is that it should pay Mr P an additional £100 to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 21 November 2022.

Julie Mitchell
Ombudsman