

The complaint

Mr and Mrs S have complained about the service provided by Lloyds Bank General Insurance Limited ('Lloyds') under their buildings insurance policy.

For avoidance of doubt, in this decision, 'Lloyds' includes its representatives, agents and contractors.

What happened

Mr and Mrs S made a claim for storm damage in February 2022 under their insurance policy with Lloyds. The damage included damage to roof tiles and guttering at their home. Falling debris also damaged the conservatory roof as well as a television below. There was concern also about water leaking into the property and causing further damage. Lloyds appointed a loss adjuster and although Mr and Mrs S had obtained one quote, they'd found it difficult to obtain a second. Lloyds considered that a second quote was required. The damage was repaired seven months after it was reported.

Mr and Mrs S complained about the delay. Lloyds accepted that there had been delays and offered £200 in compensation. However, Mr and Mrs S remained unhappy and referred their complaint to this service.

Our investigator didn't uphold the complaint. He noted that Mr S had taken early action to carry out an emergency repair and had patched the roof to mitigate additional damage. He recognised that Mr S had been continually chased Lloyds for progress. He considered however that Lloyds' were actively chasing its approved contractors and that its response to the complaint had been reasonable in recognising and apologising for delays. He said that the £200 offered was in line with what the service expected for such delays.

Mr and Mrs S remained unhappy with the outcome of their complaint. The matter was then referred to me to make a final decision in my role as Ombudsman. In September 2022, a provisional decision was issued for the complaint and I explained why I was minded to uphold Mrs S and Mr S's complaint as follows; -

'The issue for me to determine is whether Lloyds has applied the terms and conditions of its policy and treated Mr and Mrs S in a fair and reasonable manner. Mr and Mrs S said that they just wanted their roof fixed. They'd been in the process of trying to sell their property and showing people around, however the conservatory was an 'eyesore' and they couldn't use it. They complained about the length of time taken by Lloyds and its representatives to deal with the claim and for lack of communication. Mr S said that he always had to chase Lloyds for information.

Mr S accepted that Lloyds had sent a team quite quickly to assess the damage in the first instance; 'but all they said was your emergency cover would not cover cost of scaffolding so they left without doing anything.' Mr S said he'd made temporary repairs with plywood and tape but that this didn't keep all the rain out. He said it took over six weeks for Lloyds to send someone to carry out temporary repairs and in the meantime, he did the; 'best I could and use buckets etc to catch rain from other leaks.' He said that it took four months for Lloyds to sort the claim and that it had originally agreed that one quote was sufficient but later said

that two were required.

Lloyds stated that following the initial claim, Mr and Mrs S subsequently reported additional damage to their property, including damage inside the conservatory. It said that as a result of the extent of the claim, a loss adjuster was appointed who provided a report in March 2022. Lloyds acknowledged that for nearly a month, Mr and Mrs S had chased the adjusting team on several occasions to request an update on the approval of the estimate which they'd provided.

At the beginning of April 2022, Lloyds stated that a second quote would be required, however as Mr and Mrs S: 'were unable to source a second contractor', Lloyds appointed an approved contractor to complete this estimate. It acknowledged that there was a further delay until mid-May 2022 in the approved contractor providing this second estimate. Lloyds confirmed that Mr and Mrs S had also made regular contact during this period. In conclusion, Lloyds acknowledged that there had been 'a significant delay' in both the appointment of a contractor to obtain a second quote and in the provision of the quote itself. It offered £200 in recognition of the delays and communication issues.

I've considered all the available evidence as well as the submissions of both parties and I've provisionally concluded as follows. Lloyds' file notes show they'd been aware that Mr and Mrs S were trying to sell their property and that they wanted to complete repairs on an urgent basis. I also note that Mr and Mrs S had struggled to supply a second quote. If they'd been able to do so, the process may well have been quicker. Nevertheless, as Lloyds had agreed to ask an approved contractor for a quote, there would have then been a reasonable expectation that this would've been requested and provided within reasonable timescales.

Our investigator recognised that claims relating to storm damage, and particularly a named storm affecting much of the UK, can take time to progress 'given the difficulties getting quotes from builders who will be very busy. I agree with the investigator, nevertheless I note that the process of obtaining a second quote took well over two months. Even bearing in mind difficulties for the industry at the time, I provisionally conclude that the delays in progressing the claim here were excessive. The damage caused by the storm event will no doubt have caused Mr and Mrs S distress. I consider that the delays in Lloyds appointing an approved contractor and in obtaining a second quote will have added a considerable amount of stress and inconvenience for a period of many weeks. This was in the context of Mr and Mrs S trying to sell the property and Lloyds being aware of this fact.

In the circumstances, whilst I recognise the difficult circumstances in which Lloyds and its contractors would have been acting following a UK-wide storm, I've weighed this up against Lloyds' obligation to progress the claim reasonably and fairly and the negative impact which the delays had upon Mr and Mrs S. Our usual approach is that a modest monetary award may be appropriate where the impact of an insurer's actions or inactions has caused distress, inconvenience and worry and the impact lasts over many weeks or months, as in this case. I've therefore provisionally concluded that the delays by Lloyds were not fair and reasonable here and that an appropriate level of compensation to recognise distress and inconvenience over many weeks, would be £450 rather than [£200].'

In my provisional decision, I asked both Lloyds and Mr and Mrs S if they had any further comments or evidence they would like me to consider before I made a final decision.

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.

Mr and Mrs S didn't provide any further submissions or evidence in response to the provisional decision. Lloyds accepted the provisional decision and had nothing further to add. It agreed to pay the proposed compensation of £450. For the avoidance of doubt, Lloyds had originally offered compensation of £200 and the compensation will now be increased by £250 to make a total of £450.

In all the circumstances, I've concluded that the provisional decision provides a fair and reasonable outcome to the matter.

My final decision

For the reasons given above, I intend to uphold Mr and Mrs S's complaint and to require Lloyds Bank General Insurance Limited to pay them £450 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 23 November 2022.

Claire Jones
Ombudsman